

# Purchasing Week

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

## Now Strike-Shy Buyers Can Worry About Rails



**BIGGEST XMAS EVER** is a foregone business conclusion. Chicago Merchandise Mart (above) gaily celebrates topping of prior sales records.

### Purchasing Men in Australia Gain Quickly in Income and Recognition

**Melbourne, Australia**—The advent of management recognition for Australian purchasing agents has been swift and sure.

A broad PURCHASING WEEK survey of Australian industry shows that the far-reaching relaxation of Australian import restrictions, the possibility of obtaining more U.S.-made materials and products, and the spurt of a buyers' market have all combined to upgrade the purchasing agent.

The survey turned up these startling facts:

- Purchasing salaries are now up to 100% higher than the general average just three short years ago.

- Companies now require the

"executive type" purchasing man whereas a few years ago the best a P.A. could achieve was a position similar to a senior clerk.

- Industry now insists on P.A.'s with technical knowledge as well as knowledge of materials (Turn to page 9, column 1)

#### From P.A. to President

**Pittsburgh**—Harbison-Walker Refractories and Carborundum have named H-W's General Purchasing Agent, Eugene L. O'Meara, Jr., as president of their new jointly-owned refractories firm, Harbison-Carborundum Corp. at Falconer, N. Y. O'Meara currently heads the Pittsburgh Purchasing Agents Association.

### Aluminum—Up, Copper—Peace, Lead—Decline

**New York**—Fabricators of nonferrous metals are searching for a way out of new cost and supply problems that come on them full force after an action-packed week.

As they were trying to make sense out of three major movements within aluminum, copper, and lead prices and supplies, purchasing agents were studying these developments:

- **In aluminum**—A 1.3¢/lb. boost has pushed prices up to 26¢, a rise of 5.3%. Better demand and higher labor costs are behind the boost.

- **In copper**—Agreement between a major producer and the Mine-Mill union indicates a break in the four-month-old strike. But with supplies still tight, no immediate price weakness is likely.

- **In lead**—Recent price cuts in the heavy metal stem from a variety of causes—resumption of production, low consumption, and weak overseas tags. There's (Turn to page 22, column 1)

### 'Shady' Rate Practices Cast Cloud on Seaway's Year, Shipper Charges

**Chicago**—Widespread rate-cutting, rebates, and even payola characterized shipping in the first year of the St. Lawrence Seaway, a shipping official charged here last week.

Edwin A. Kuecker, president, Kuecker Steamship Services, Inc., Chicago, issued the blast at a traffic club panel discussion of the Seaway's impact on transportation in 1959, its first year of operation.

Files of some of the suspect steamship lines and shippers are currently being examined as a result of the rate-slashing, "under the table deals" and similar practices, Kuecker said. He declared (Turn to page 21, column 4)

#### Stow—Then Blow

**Washington**—Stow those tent pegs and grab that spray gun. The Army has come up with a new way to pitch a tent:

A canvas form is initiated to the shape of a dome, about six ft. high and 12-ft. across. Lightweight chemicals are mixed on the spot to form a plastic foam that is sprayed over the canvas. It dries into a weatherproof hut in less than an hour, allowing the canvas to be removed.

### Many Try to Hedge on Supplies, But Count on Only Short Tie-up

**New York**—With the transportation horizon clouding as their next big trouble spot, purchasing men are asking these questions: Will there be a railroad strike next spring? And strike or not, will rates go up because of wage pressure?

The growing threat comes at a time when the general transportation situation has just settled down to some degree of stability in employment and rates. And, with spreading labor agreements easing the threat of production material shortages, purchasing men in larger companies already have started "hedging operations" against a potential rail tieup.

The outlook narrows down to these factors:

- A strike crisis, if it comes, probably will be delayed until May 1.

- Assessing their second biggest headache after steel, purchasing and traffic executives now are betting against a total tieup.

But sporadic strikes on certain roads are expected, and traffic plans are being geared accordingly.

### 4% Price Boost Set For Jan. 11 on Small Motors

**Fort Wayne, Ind.**—Fractional horsepower motors, used in hundreds of products ranging from compressors to small machine tools, will be hit with a 4% price boost effective Jan. 11.

Warning that the increase was on the way came last week from General Electric, and the majority of other small-motor producers contacted by PURCHASING WEEK including Westinghouse Electric Corp., indicated they would follow suit.

G.E. said the price hike will affect all motors under 66 frames in size and smaller. This does not include those motors used to power electric sinks, home laun- (Turn to page 21, column 1)

- Whatever happens, railroads will fight hard to bury any proposals for a general rate increase after the settlement. Rail rate-makers warn, however, that a railroad rate increase combined with a steel price increase would be hard to overcome, and in that case, selective rate boosts are virtually assured.

In addition to inventory build-ups of key raw materials and components, most companies already are searching for alternate traffic sources. A shutdown would hit incoming bulk items hardest; where space is available, outgoing finished products could move via truck, water, or air.

"While we don't believe the (Turn to page 22, column 1)

#### This Week's

## Purchasing Perspective

DEC. 21-27

After six weeks of post-strike steel production, here's how the supply picture shapes up:

- **Most mills are producing and shipping at or near capacity.** Some shipment delays have been reported, but for the most part, rails and truckers are meeting schedules.

- **Delivery pattern varies by product and area,** but mostly by individual firm. A steel customer's present supply situation in most cases depends on how shrewdly its purchasing agent planned last spring when placing orders for June and July delivery.

This accounts for apparent feast-or-famine situations still prevailing in some areas. One Cleveland warehouse, for example, has more than doubled its inventory since Nov. 7. At the same time, a nearby warehouse is so pressed that it does not expect to be in balance until the second quarter of next year. The second company was unable to finance large inventory orders last June.

Steel service centers, over-all, report a slight gain in inventory levels—875,000 tons compared with about 800,000 tons at the strike's darkest hour. But a complete inventory recovery isn't in sight until about next May or June.

On a product basis, warehouses report:

(Turn to page 21, column 1)

## P/W PANORAMA

- **Don't Let Big Tire Inventories Blur Your Focus** on rubber prices. Costs of the natural product are soaring, demand is high, and manufacturers want to ease their cost squeeze. So look for a push on prices—including the synthetics, which are booming, too. (More on p. 3.)

- **The Possibility of Extruding Aluminum Cans** has the food and container people on their toes. E. W. Bliss says it now has a press which can do the job. Aluminum International is going to give it a try. (More on p. 7.)

- **Where Are Prices Going?** Up, says Price Perspective, appearing on p. 2. Despite heavy cost pressure as result of strike settlements, productivity may hold the rise to 1%.

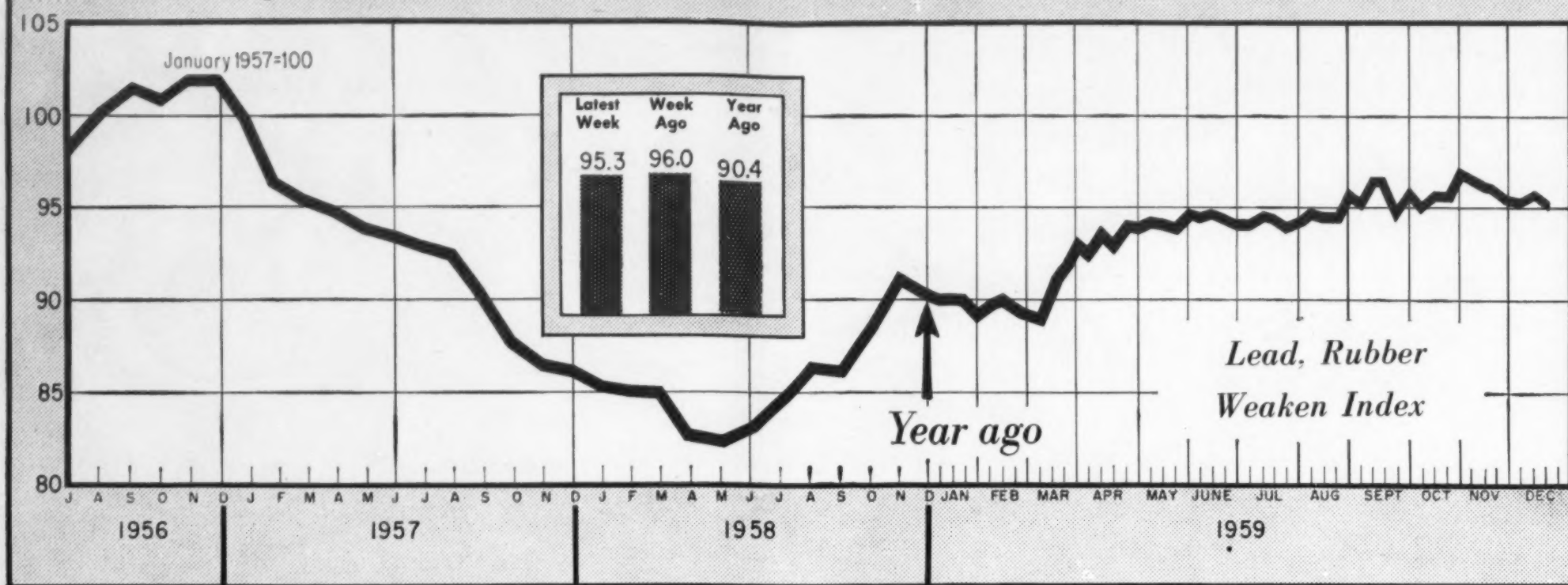
- **Moving Personal Property** of your company's migrating personnel is a problem in human relations. Pictures and story on pp. 12, 13, 14 list the latest techniques.

- **Guest Stars, Audience Participation,** and amateur talent may perk up your association meeting—even if the theme is deep and "dry." The Purchasing Agents Assn. of Philadelphia shows you how on p. 6.



# Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

	Dec. 16	Dec. 9	Year Ago	% Yrly Change
<b>METALS</b>				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	42.00	42.00	42.00	0
Steel scrap, #1 heavy, del. Cleve., gross ton.....	41.00	41.00	38.50	+ 6.5
Steel scrap, #1 heavy, del. Chicago, gross ton.....	40.00	40.50	42.00	- 4.8
Aluminum, pig, lb.....	.26	.247	.247	+ 5.3
Secondary aluminum, #380 lb.....	.238	.238	.218	+ 9.2
Copper, electrolytic, dealers, lb.....	.346	.334	.286	+21.0
Copper scrap, #2, smelters price, lb.....	.26	.26	.225	+15.6
Lead, common, N.Y., lb.....	.125	.13	.13	- 3.9
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	.989	1.00	.989	0
Zinc, Prime West, East St. Louis, lb.....	.125	.125	.115	+ 8.7
<b>FUELS†</b>				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.....	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal.....	.05	.05	.05	0
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.115	.115	.115	0
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.11	.11	.108	+ 1.9
Kerosene, Gulf, Cargoes, gal.....	.093	.09	.096	- 3.1
Heating oil #2, Chicago, bulk, gal.....	.096	.096	.10	- 4.0
<b>CHEMICALS</b>				
Ammonia, anhydrous, refrigeration, tanks, ton.....	88.50	88.50	86.50	+ 2.3
Benzene, petroleum, tanks, Houston, gal.....	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb.....	.186	.183	.205	- 9.3
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb.....	.181	.180	.163	+11.0
Phthalic anhydride, tanks, lb.....	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb..	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.10	12.50	9.65	+35.8
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.06	.061	.079	-24.1
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
<b>PAPER</b>				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton.....	95.00	95.00	100.00	- 5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.25	9.25	9.00	+ 2.8
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle..	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton.....	22.00	22.00	23.00	- 4.3
<b>BUILDING MATERIALS‡</b>				
Cement, Portland, bulk carlots, fob New Orleans, bbl..	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.14	+ 1.0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm...	126.00	122.50	118.00	+ 6.8
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm....	136.00	136.00	129.00	+ 5.4
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm....	104.00	104.00	109.00	- 4.6
<b>TEXTILES</b>				
Burlap, 10 oz. 40", N.Y., yd.....	.105	.104	.106	- 1.0
Cotton middling, 1", N.Y., lb.....	.332	.329	.357	- 7.0
Printcloth, 39", 80x80, N.Y., spot, yd.....	.230	.230	.182	+26.4
Rayon twill 40½", 92x62, N.Y., yd.....	.24	.24	.22	+ 9.1
Wool tops, N.Y., lb.....	1.635	1.635	1.435	+13.9
<b>HIDES AND RUBBER</b>				
Hides, cow, light native, packers, Chicago, lb.....	.19	.19	.20	- 5.0
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.404	.418	.299	+35.1

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

## Price Perspective

DECEMBER 21-27

**Labor cost pattern for 1960 is coming into sharper focus.**  
Judging from recent settlements, most firms will pay 10¢-13¢ more for an hour's worth of labor in 1960.  
This range crops up in almost every contract recently signed.  
**In rubber**—A pact signed just before Labor Day calls for exactly a 10¢-per-hour pay boost for production workers.  
**On the docks**—A new pact calls for a 41¢ per hour boost (including fringe benefits) spread over three years. That's about 13¢ per hour each year.  
**In copper**—Some producers have already signed up for 22.4¢ per hour over a two-year period. That's just over 11¢ per hour each year.  
**Cans**—Unions estimate a new three-year contract at about 30¢—again coming to 10¢ per year.  
**In steel**—Kaiser and a few small companies have signed at an estimated 22.5¢ over two years—or a little over 11¢ per hour each year.  
When so many contracts follow the same pattern you can be pretty sure it reflects a basic labor cost trend. And odds are it will carry over into a steel settlement, too.

**SOME PRICE IMPLICATIONS** can be drawn from this kind of a wage-cost trend.  
Assume, for example, that the 10¢-per-hour figure is representative of industry as a whole. Translating this into more meaningful percentage terms, is indicates a 4-5% increase in 1960 industrial wage costs.  
That's well above the current year's figure, which will show only about a 2% boost. But it's more in line with last year's data that shows labor up about 4%.  
**In 1958 the 4% wage boost was enough to push industrial prices up about 1% over the year. The big question today is . . .**

**WILL HISTORY REPEAT?** Can we expect a similar 1% price increase for 1960?  
On the one hand you have to remember that much of 1958 covered a period of depressed demand. As such, it tended to put a damper on price rises.  
But, if special conditions kept down 1958 tags, there are other special factors at work that may do the same for the next twelve months.

**First, 1960 is an election year.** This means increasing emphasis on the inflation issue—and hence, plenty of public pressure to hold the price line.  
**Then there's the factor of foreign competition.** In 1958 this was a relatively minor force in our economy, but not today. Prices in key industries—like machinery, textiles, aluminum and chemicals—are to a considerable extent guided by what foreign firms are charging.  
**On balance, the twin factors of public pressure and imports should be enough to offset the upward price influence of booming demand. And again, only about a 1% wage-inspired increase should work its way into the price structure.**

**A COST-PRICE PARADOX**—The above conclusion—that only a 1% price boost is likely—raises an important question:  
**With wage costs up 4-5% and prices up 1%—what happens to the difference? Who picks up the tab for the gap between wage increases and price increases?**  
The answer lies in increased productivity, which makes up the difference.  
All signs point to an industrial productivity gain of just this 3-4% magnitude. Part stems from increased usage of labor-saving equipment.  
Another part will be due to expectations of close-to-capacity operations for 1960. Efficiency is always higher at 90% of capacity than at 50%.  
**Conclusion: The 3-4% gain in productivity means a 3-4% reduction in unit labor costs—just offsetting a similar gap between costs and prices.**



# Rubber Price Pressures Grow; Outlook: A Rise

## Dayton Rubber Boosts Latex Prices Twice Within Month; Cost Pressures Also Haunt Tire Makers

**New York**—Strong demand, a cost-price squeeze, limited supply. Those are three major elements in what promises to be a rising trend in rubber price tags in the coming months.

Some rubber prices have already started up. Dayton Rubber, for instance, has boosted latex foam rubber prices twice within a month—the last being a 10% increase on Dec. 14. Similar price increasing action is indicated for urethane foam in the near future.

### Costs Force Boost

"Constantly increasing material, labor, and freight costs have made the price boost necessary," said L. C. Pape, vice president of Dayton Rubber Co.

The same cost pressures are at work in the tire industry (the biggest single user of rubber) because the prices of many rubber products—including latex and tires—were cut last summer (see chart at right).

But the sizable inventories tire manufacturers have on hand—a result of the steel strike's curtailment of car production—prevent them from taking immediate price action.

That, along with the industry's highly competitive structure, make it unlikely that tire prices will go up before spring of 1960.

### Strong Demand Pull

Besides the cost-price push, there is a strong demand-pull on rubber prices. So far this year rubber consumption is running about 20% ahead of 1958 (see chart).

And rubber manufacturers expect 1960 sales volume to increase by 15% over 1959's record level. Original equipment tires should register a tremendous gain in the wake of an expected 30% increase in auto and truck production; replacement tires will hit a new high; mechanical rubber goods—belting, hose, molded products—should achieve the same 9% gain expected for overall industrial production throughout the country.

In appraising the rubber price outlook, natural rubber merits special attention, both as a cost factor and because of its very definite influence on synthetic rubber production.

### Natural Rubber Soars

As a cost, natural rubber—still a most important 35% of total U. S. rubber consumption—has been lifted by soaring world demand more than 1/3 above last year's levels.

And this basic price tag doesn't seem likely to ease much in the immediate future. World demand is still growing while it will take years before tree rubber production can be increased significantly.

Moreover, the high price of tire rubber (over 40¢/lb.) gives the booming synthetic rubber industry room to expand with little difficulty.

But rubber price increases, while imminent, will probably be moderate.

Lower-priced synthetic rubbers will be taking over a larger

and larger portion of natural rubber's market. In 1960 they are expected to account for 66% of total rubber consumption.

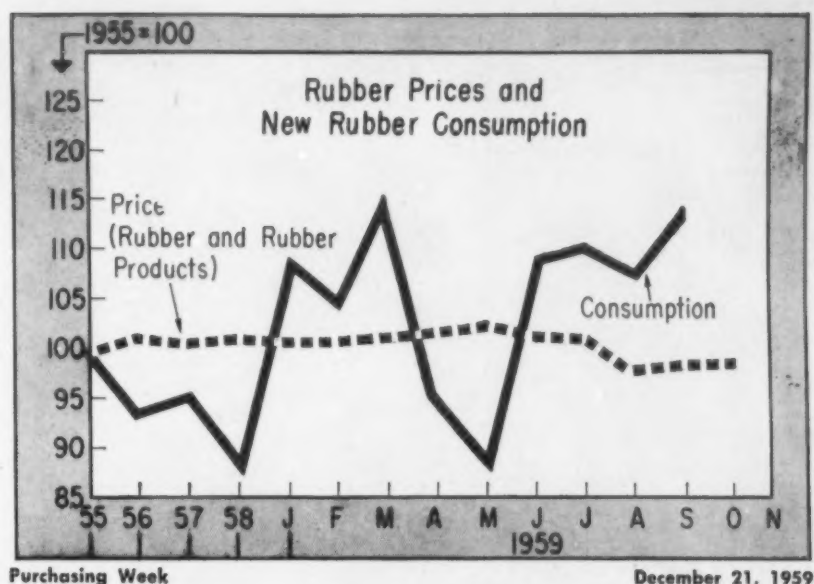
For example, the newest synthetic rubbers (the isotactic types) are moving into commercial production for the truck-bus tire market—traditionally a natural rubber stronghold—for the first time in 1960.

Competition between synthe-

tics and expansion of synthetic rubber producing capacity will tend to hold down price increases in this sector.

### Good Cost Cutting Shape

This year saw the rubber industry get into good position for cost-cutting. Rubber manufacturers spent about 1/3 more on plant and equipment than in 1958. And of this investment, approximately 85% was for modernization—that is, the installation of new up-to-date machinery.



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# Steel-Strike Recess Goes on, But Effects Remain

**New York**—The latest labor picture figures reflect the lingering effects of the steel strike.

• The PW overtime hours index dropped over 7%—from 100 in October to 92.9 for November.

• Secondary layoffs (see photo) continued to mount, reaching 560,000 by mid-November, as compared to 280,000 a month earlier.

The lag between the beginning of steel production and the normal flow of steel through industrial channels accounts for the rise in secondary layoffs. Actually the rate of steel-induced layoffs has started to ease off, but, according to Labor Department manpower experts the rate won't slow down till late in January.

This contributed to a total employment drop of 1,191,000, which is 19% greater than normal for this time of year.

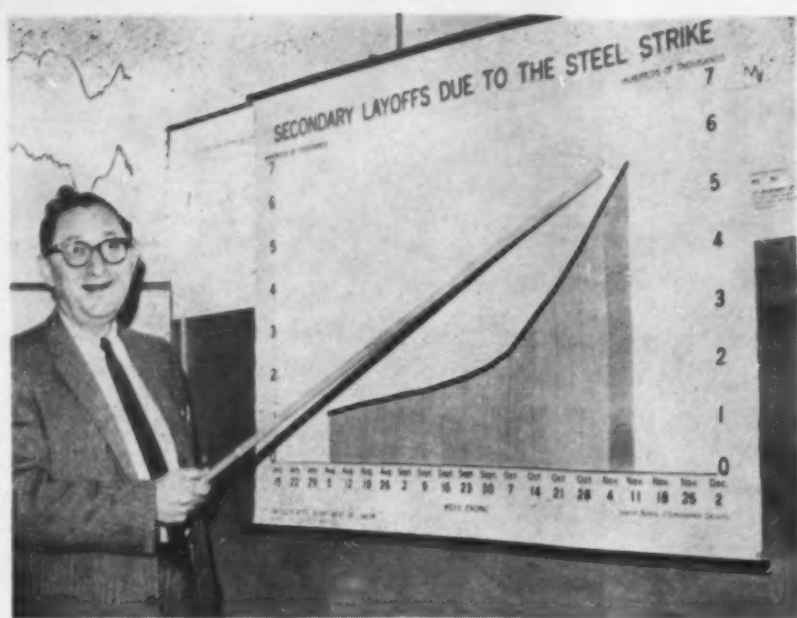
As might be expected—considering the industries most affected by steel shortage—hard goods accounted for a much greater portion of the decline in the overtime hours index than did soft goods. The former dropped from 93.3 to 83.3—a fall of almost 11%, while the latter slipped only about 3½% to 108, as compared to the preceding month's 112.

Again the main cause was the steel strike. In the hard goods sector all steel-consuming categories, except instruments, declined, with the fabricated Metal Products drop of over 19% the most severe.

On the other hand, strong demand raised overtime work in Furniture and Fixture, while a trend to replenish low wood inventories lifted the index for Lumber and Wood.

Among soft goods, Tobacco, which has been booming since April, registered a sharp 44% jump. Textiles also gained as demand continues to soar.

But these were more than counteracted as the steel-strike effects depressed the rest.



**RATE OF LAYOFFS**, as shown here by Labor Department official Seymour Wolfbein, continues to have a disturbing effect on employment figures.

## Overtime Hours of Manufacturing Production Workers Index

### Hard Goods

	Oct. '59	Sept. '59	Oct. '58	% Yrly Change
Ordinance & Accessories.....	72.4	79.3	75.9	- 4.6
Lumber & Wood.....	112.1	109.1	109.1	+ 2.7
Furniture & Fixtures.....	121.4	114.3	107.1	+ 13.4
Stone, Clay & Glass.....	97.2	100.0	91.7	+ 6.0
Primary Metals .....	92.9	107.1	57.1	+ 62.7

Fabricated Metal Products..	96.7	120.0	90.0	+ 7.4
Non-Electrical Machinery...	73.0	75.7	48.6	+ 50.2
Electrical Machinery .....	92.3	100.0	76.9	+ 20.0
Transportation Equipment..	86.2	93.1	86.2	0
Instruments .....	113.0	104.3	78.3	+ 44.3

### Soft Goods

Food .....	109.1	121.2	97.0	+ 12.5
Tobacco .....	209.1	145.5	90.9	+130.0
Textile Mill Products.....	123.1	119.2	107.7	+ 14.3
Apparel .....	125.0	125.0	108.3	+ 15.4
Paper .....	100.0	110.9	97.8	+ 2.2
Printing & Publishing.....	100.0	112.5	84.5	+ 18.3
Chemicals .....	113.0	134.8	95.7	+ 18.1
Petroleum & Coal Products..	105.0	115.0	75.0	+ 40.0
Rubber Products .....	117.9	153.6	100.0	+ 17.9
Leather & Products.....	71.4	85.7	100.0	- 28.6

Industry breakdown is available through October only.

# A Week After: Kefauver Watches, Waits

**Washington**—Senate investigators of the drug industry, after a week of intensive hearings, have learned a lot about how the drug industry operates and why prices are high. But whether there is anything the government can—or should—do to lower the cost of medicines is still problematical.

Unless Sen. Estes Kefauver and his antitrust subcommittee establish that prices are fixed by agreement or collusion instead of natural conditions of the industry, the upshot of the hearings in the months ahead will boil down to "public relations" pressure on the industry to hold prices and profits in check.

Kefauver showed interest in two suggestions for legislative remedy: 1. tighten the Food and Drug Administration's quality controls on drugs so that doctors could prescribe cheaper independent-brand drugs with confidence; and 2. require drug houses to submit promotional material to the Federal Trade Commission for clearance as to the claims they make for their products. But

Kefauver acknowledged that neither of these proposals would get to the heart of the problem.

Testimony at three days of hearings indicated a substantial part of the high cost of the new "wonder drugs" appeared to be due to expensive promotion. The anti-monopoly committee staff showed markups ranging from 1,000 to 10,000 percent from bulk prices to the price paid by the druggist for finished pills. The presidents of Schering, Merck, and Upjohn—the first to be called because they are the principal producers of anti-arthritis drugs—attributed much of this markup to the industry's unusually high research costs and high rate of obsolescence. But the committee staff argued that research costs are also reflected in the bulk prices, leaving promotion costs as the biggest factor in the price difference.

Industry spokesmen admitted that about one-third of the sales dollar goes to promotion and selling. Some 15,000 "detail" men are retained to call regularly on the nation's 150,000 doctors

—one salesman for every 10 doctors. Critics charge that such high-pressure promotion is unnecessary from the physician's point of view, and operates to keep smaller firms out of the market entirely.

The drug makers also insisted that bulk prices do not reflect full research costs. They could not stay in business on bulk sales alone, they said. Smaller firms can offer low bulk prices only because they do not carry on the extensive research done by the large firms. Merck's president, John T. Connor, tagged the small firms "coattail riders" who capitalize on the research of the big companies to market similar products of their own.

The committee will probe other types of drugs—tranquilizers, vitamins, vaccines, antibiotics—in sessions resuming in late January and running intermittently for several months. Two aspects they will investigate more deeply: patent monopolies and cross-licensing that limits competition; possible price collusion through financial company tie-ins.

This Week's

## Washington Perspective

DEC. 21-27

There's a lot at stake in how the National Labor Relations Board conducts its "last offer" referendum among the steel workers.

Taft-Hartley requires the board to ask the rank and file, in a secret ballot, whether they would accept the companies' last offer on wages and working conditions.

The voting is scheduled for the period between Jan. 7 and Jan. 21.

**Outcome of the vote**—regardless of how the union members split—won't necessarily be decisive. Union leaders are not required to abide by the vote in their negotiations with steel executives.

But both sides are playing for favorable public opinion. And this is where the results of the balloting figure strongly.

The vote will be taken and tallied separately by company, and perhaps even by divisions of companies, or by plant. Thus, it's possible that a majority of the 535,000 steel workers may reject their last offer—but you may find that a majority of those who work for a given company, or who work in a particular plant, may be willing to take the last offer presented to them.

The details of this pattern of voting haven't been finally decided. But the vote will be separate for the 96 companies, and all the men on the payroll—not just those actually at work—will be eligible to vote.

Steel management has already told NLRB officials that there will be a variety of last offers—including a variety of versions of the controversial work rules that has been the principal issue McDonald has used to hold the rank-and-file in line for 116 days.

Management obviously is looking for a vote record that will show significant chunks of McDonald's membership are willing to sign on management's terms.

McDonald wants to package the voting units as best he can to show that his members are solidly behind him, that the defections recorded are really minor.

NLRB officials are in the middle and trying to make their decisions with the least amount of fanfare and furor.

**One thing all sides agree on:** McDonald will get a substantial majority, by all signs available now. But there's a feeling that he has to show at least 75-80% of the total on his side, or the steel companies will be claiming a "moral victory."

NLRB officials—as is true of all other government officials from Eisenhower on down—are praying that all this preparation is unnecessary, that the negotiators will be able to sign a contract before the date for the vote.

Tariff Commission last week opened a significant investigation on a new approach to import protection for domestic producers of metals and minerals.

Domestic fluorspar producers, the first to testify at the hearings, want higher duties on imported competition. Lead and zinc producers want a higher quota on imports and a prohibitive tariff on all quantities above the quota.

The new appeals are being processed under a congressional directive requiring the commission to report its recommendation's to Congress . . . instead of to the White House, as is the usual procedure.

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,729	2,732*	2,036
Autos, units	85,638	55,337*	137,882
Trucks, units	11,900	11,381*	22,842
Crude runs, thous bbl, daily aver	7,975	7,983	7,788
Distillate fuel oil, thous bbl	13,643	13,168	13,651
Residual fuel oil, thous bbl	6,945	6,713	7,011
Gasoline, thous bbl	28,254	28,772	28,240
Petroleum refineries operating rate, %	82.0	82.1	81.2
Container board, tons	162,692	151,041	160,194
Boxboard, tons	166,708	144,888	148,930
Paper operating rate, %	94.5	93.7*	91.6
Lumber, thous of board ft	250,760	210,011	228,304
Bituminous coal, daily aver thous tons	1,508	1,600*	1,461
Electric power, million kilowatt hours	14,167	13,907	13,450
Eng const awards, mil \$ Eng News-Rec	313.8	293.7	291.8

\* Revised



# 'Fishyback' Carriers May Get ICC Solace

Washington—Coastal steamship operators will be in for a competitive boost if the Interstate Commerce Commission upholds an examiner's recommendation concerning rate differentials between "piggyback" and "fishyback" shipments.

ICC Examiner Charles E. Morgan proposes that a 3% or 5¢ per 100 lb. freight-rate differential be set in favor of land-sea operations over competing all-land piggyback tariffs.

The reasoning behind the recommendation is that the slowness and infrequent schedules of such ocean service makes the lower rates necessary. Specifically, the examiner proposed that the commission find piggyback rates "unjust, unlawful, and competitively destructive," in instances where all of the following conditions prevail:

- On a given shipment or rate, the piggyback costs are higher than fishyback costs on both out-of-pocket and fully-distributed levels;

- The proposed piggyback rate is below the full distributed cost level;

- The proposed piggyback rate is less than 3% greater or less than 5¢ per 100 lb. higher than the corresponding fishyback rate.

The main issue arose back in 1957 when the Pan-Atlantic Steamship Corp. filed a round of reduced rates for over 400 commodities moving in this trade. Competing railroads and truckers operating in the East, South, and Southwest immediately protested these, and subsequent tariff filings by Pan Atlantic.

It resulted in temporary delays in putting the rates into effect, but later the ICC allowed the rates to be used while it conducted an investigation into the matter—and they are now in use.

Now the ICC examiner has ruled in favor of the ocean carrier. Railroads and trucks, however, are expected to blast the recommendation. A final ICC ruling is not expected until early next year.

## Best News of the Year

"While this is just a recommended report and we can't count on its being approved," Claude Farnell, vice president for Pan Atlantic, told PURCHASING WEEK, "I must say it's more favorable than anything we have received in the past year. It's definitely a step in the right direction, and we are definitely encouraged by the proposal."

Some of the commodities involved in the piggyback-fishyback dispute include electrical appliances, hardware, plumbing goods, candy and confectionery, metal cloth, and building equipment such as scaffolds and scaffolding.

A spokesman for the New York Central railroad declared that "We are most unhappy about this recommendation and intend to file exceptions with the commission."

"In the past, we have often been refused rate increases on our passenger service where we operated at a loss," he added. "Here we have a situation where a less efficient carrier is being protected by an artificial umbrella."

On another issue, an ICC examiner has recommended that

general commodity truckers be allowed to use collapsible rubber tanks for hauling dry and liquid commodities in less than 1,000-gal. sizes.

Controversy over the new method of hauling bulk commodities arose when the containers were developed by the United States Rubber Co. They are known by the trade names of Sealdtanks, Sealdrums, Nest-A-Bins, etc., and manufactured in sizes up to around 4,000 gal.

Opposition to the general use of the tanks came from motor

tank truck operators and the rails. They argued that the general commodity carriers were threatening their industry and should be required to obtain special ICC licenses before using the special containers. It resulted in a suspension of use pending an ICC investigation.

Now, it has been recommended by an ICC examiner that a size limitation be imposed on the use of the containers. Shippers, through the National Industrial Traffic League, argued in favor of unrestricted use of the tanks.

# Great Lakes Shippers Go into Court For Help in Their Fight with Rails

Cleveland — Great Lakes steamship companies are seeking suspension of railroads' new rate schedules for pig iron shipments.

Shipping lines have filed a suit in U. S. District Court here charging the rail rate constitutes unfair competition for lake carriers because they produce a lower charge than the aggregate of charges by any shipper using a lake vessel.

The rail tariff involved is a rate of \$6.02 per ton for shipping

iron from Cleveland to Chicago. It was allowed Nov. 1 by the Interstate Commerce Commission.

The suspension suit also alleges that the minimum quantity of iron that may be shipped is 50 tons by rail, but 2,500 tons by lake freighter. This provision and the lower rail rate make it impossible for lake freighters to compete effectively in shipment of iron from Cleveland to Chicago, the lake carriers charge.

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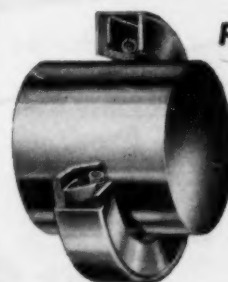
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**RIBBING SANTA ABOUT HIS WAISTLINE** at the Cleveland association Christmas party are (l. to r.) W. H. Conant, Weldon Tool Co.; E. J. Decrane, Master Products Co.; and M. V. Hecht, Standard Envelope Mfg. Co. Santa is Steve Kandra of Star Machine and Tool Co.



**THE YULETIDE SPIRIT SHONE BRIGHT** at the Toledo association party as evidenced in the faces of (standing l. to r.) N. B. Early, president; Charles Keller, national director; Mrs. Keller; W. J. Dunn, party chairman; and (seated, l. to r.) Mrs. Dunn and Mrs. Early.



**CENTRAL MICHIGAN P.A. GIFT BEARERS** (l. to r.) Mr. and Mrs. C. S. Dockey, Mr. and Mrs. Claude Adams, and Mr. and Mrs. Burton Brayton, (he's local president).



**A MERRY-CHRISTMAS HANDSHAKE** is exchanged between Brady Marks, chairman of Erie P.A. Association party and Roger Sturtevant of Hammermill Paper Co.



**METROPOLITAN P.A. ASSOCIATION** members (l. to r.) Mr. and Mrs. S. Sullivan and Mr. and Mrs. S. DeNave, of Dairyman's Cooperative Assn., enjoy holiday party.

## Purchasing Men and Their Wives Greet Holiday Season

### In Cleveland, P.A.-Santa Prepares for Children; In Erie, 300 Members Get Together with Suppliers

Value analysis and standardization have been giving way to mistletoe and holly at purchasing association meetings throughout the country. Here is a sampling of the holiday mood that prevailed at association Christmas parties in many areas.

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**MATHIESON ORGANICS:** Ethylene Oxide • Ethylene Glycol • Diethylene Glycol • Triethylene Glycol • Polyethylene Glycols (Poly-G's®) • Monoethanolamine • Diethanolamine • Triethanolamine • Glycol Ethers (Poly-Solv's®) • Surfactants (Poly-Tergents®) • Ethylene Dichloride • Dichloroethylether

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**Cleveland**—Despite ribbing by Cleveland purchasing agents at their Yuletide get-together Dec. 12, Santa Steven Kandra of Cleveland's Star Machine and Tool Co. still distributed presents to some 570 members and their wives.

First Vice President, W. H. Conant, was chairman of the dinner-dance affair at the Hotel Carter. Santa will make another appearance Dec. 19 when the Cleveland association holds its annual children's party.

**Toledo**—Purchasing agents here, along with their wives, got into the spirit of the gift-opening season the same night after cocktails, dinner, and dancing at the Toledo Elks headquarters. Norman B. Early, association president, made it a point to congratulate Bill Dunn, party chairman, for the good time had by all.

**New York**—Some 30 members, wives, and guests of the Metropolitan Purchasers Club, held their 22nd annual Christmas party at the Hotel Taft, Dec. 8. R. F. Baldwin, chairman of the group, played St. Nick and passed out member-donated gifts.

**Erie, Pa.**—The Purchasing association of Erie celebrated the holiday season Dec. 10 when some 300 members and salesmen

gathered at the East Erie Turners, an eastside club, for cocktails, dinner, and entertainment.

One of the highlights of the evening was the awarding of 20 door prizes, which included radios, toasters, and clocks. Each man attending the stag affair received a pocket knife on a key chain. Chairman and toastmaster for the event was Brady Marks of Curtze and Crawford, Inc.

**Lansing, Mich.**—A "Mr. and Mrs." party was held Dec. 11 for members of the Central

Michigan Purchasing Agents' Association at the country club in Lansing. After dinner, gifts were presented to the women guests and a dance followed.

**St. Louis**—More than 900 members attended the Christmas celebration of the St. Louis Purchasing Agents Association Dec. 12 at the Hotel Chase. James Ritterskamp, vice chancellor of Washington University, was toastmaster and did very well—keeping speeches to a minimum and fun at a peak all evening.

### In 1959, NAPA Grows to Encompass 93 Local Chapters; 5 More to Join

**New York**—This year saw the National Association of Purchasing Agents grow to new heights and 1960 will see further advances.

Two new groups in San Antonio, Tex. and Lafayette, Ind., brought to 93 the total of local P.A. chapters now affiliated with NAPA. Next year at least five new groups are expected to apply for affiliation with NAPA.

The groups that may enroll in 1960 are in Savannah, Ga., Omaha, Neb., North Alabama, Florida, and Central Pennsylvania.

"NAPA gives us the leader-

ship and guidance we couldn't possibly get on our own," D. Francis Finn, president and co-founder of the Purchasing Agents Association of Greater Lafayette told PURCHASING WEEK.

Recalling some of the problems involved in getting his group off the ground, Finn cited "lack of information" as the biggest hurdle in getting people interested enough to start their own NAPA affiliate.

"A lot of men, particularly in the smaller companies," he said, "didn't realize how much there is to gain from a local P.A. association."



# Aluminum Cans, They Say, Are Now Competitive

**Canton, Ohio**—Can makers, food packers, and a long list of firms in the metal working industry are excited about the E. W. Bliss Co.'s new impact extrusion press that can turn out 120 finished 11-ounce aluminum cans a minute. The press' production rate is double that of existing aluminum can machinery.

Bliss says its new press, together with a previously developed casting method, now makes the one-piece aluminum sanitary can "fully competitive with conventional three-piece cans."

Reynolds Metals regards the Bliss press as a "big step forward in one of the basic methods of producing aluminum cans." William E. Cheely, product development director for Reynolds' packaging research division, told PURCHASING WEEK that machinery companies and press manufacturers now realize the potential of the aluminum can and are "doing something about it." Another major aluminum producer also described the Bliss press as a "notable step" forward.

The Bliss press was designed and built for Aluminum International, Inc., a jointly-owned subsidiary of Adolf Coors Co. and Beatrice Foods. Jack Porterfield, chief engineer at Aluminum International, said that when two of the presses are installed in the automated can line at the Coors brewery, manufacturing costs will be lower than those of conventional can lines.

A parade of officials from food packing, can and container, and general metal working firms have been inspecting the Bliss press here for the past two weeks. Bliss is taking orders with an estimated delivery time of nine weeks. It

## California Agency Gives Go-Ahead for Rate Boost

**San Francisco**—The California Public Utilities Commission has authorized an increase in minimum rates for hauling general commodities by truck within the 14-county area designated as the San Francisco Coastal Territory.

The commission has also allowed the rate boost for hauling into the territory from outside points or hauling from the territory to points outside. The truckers claimed the increase was necessary to meet higher wage demands.

The fourteen counties to be hit by the increase, which goes into effect January 15, are Alameda, Contra Costa, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco City and County, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

## 5 Mills in Canada Form Wood Chip Company

**Vancouver, B. C.**—Five British Columbia lumber mills in the Kamloops area have formed a new firm, Kamloops Wood Conversion, Ltd., to handle waste wood turned into chips to sell to pulp mills on the coast.

Machinery is now being installed, and first deliveries may be expected next spring. The yield will be 100,000 units annually (each of 200 cu. ft.) worth \$500,000.

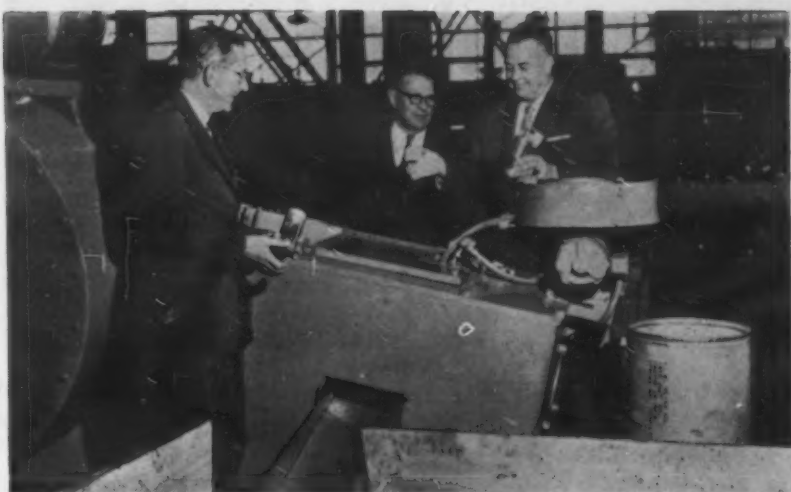
cost runs about \$45,000 to \$50,000.

Developers of the press believe they can improve the speed "to the point where aluminum cans can be made much more rapidly than conventional cans."

The press extrudes round aluminum blanks into one piece cans. Blanks are fed to the die by means of a hopper feed that is directly connected to the press drive to assure timing. A rotary feedout mechanism discharges cans through a self-actuated chute.

Porterfield says inspection and testing time will be less than with conventional soldered cans because spot checking on the wall and bottom thicknesses is about all that will be required. Elaborate water pressure tests for leaks can be eliminated.

It appears certain that the Bliss press is going to make itself felt in the aluminum extrusion field. Without any fanfare about the new unit, Bliss has had some 70 to 80 visitors during the first two days the press was on display.



**THE "BREAK-THROUGH" ALUMINUM CAN PRESS** is being discussed by Jack Porterfield, right, of Aluminum International and Bliss executives.



**When design or production people come to you for fastening help, ask your Bostitch Economy Man for his suggestions.**

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everything from plastic hula hoops to components for jet aircraft.

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assurance of the right combination for your needs from 800 staplers and over 200 staples... an extra margin of quality... nationwide parts, service and technical aid... dependable supply from the industry's most modern factory... and we stand behind every Bostitch machine, making sure it operates to your complete satisfaction.

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# Showmanship for Standards: Making Business Look Like Pleasure

It's pretty rough to put in a full day in the shop, then go to a meeting and listen intently to an exposition of some difficult topic. Purchasing agents associations know this only too well. They know the solution, too: Showmanship. But its major drawback is that it usually costs quite a bit of money plus a lot of time most P.A.'s can ill afford.

The pictures at the right show how the Purchasing Agents Association of Philadelphia successfully took a mighty stab at breaking the dilemma. The topic up for discussion was value analysis and standardization. By relying on amateur talent and audience participation, the "Vasco Carnival" at the Bellevue Stratford Hotel was a smash.



VASCO Committee is all smiles as Phil Kron, Vice-chairman of the NAPA Value Analysis-Standardization Committee prepares his 'pitch' on standards. Left to right (facing camera) R. H. Anderson, New Holland Machinery Division, Sperry Rand Corp.; William Lawton, Jr., Armstrong Cork Co., Millville, N. J.; Chairman Robert L. Roberts, Westinghouse, Lester, Pa.; and Richard L. Purcell, C. Schmidt & Sons, Inc., Philadelphia.



PRODUCT DISPLAYS were also part of the show. Here three purchasing agents examine examples of applied value analysis. Left to right: F. J. Hanssens, of Moore Products Co.; W. S. Blair, of RCA; and Peter J. Toscano, of Daystrom Transcoil, division of Daystrom.



MEDICINE MAN FOR STANDARDS—E. Philip Kron, Eastman Kodak Co., Rochester, N. Y., vice-chairman of the NAPA's Value-Analysis-Standardization Committee addresses Philadelphia P.A. following buffet supper. Note the background props that were part of carnival atmosphere. Cost for the show was estimated to be less than \$200.



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# Australians Boost P.A.'s Status, Income

(Continued from page 1)  
handling, modern office management, import procedures, warehouse management, etc.

• Overseas trips, until recently the privilege of general management, production, and sales executives only, is now part of the purchasing position.

• Placement agencies emphasize that besides the top-bracket salaries, many additional privileges never before offered to purchasing men are now multiplying to entice the best buyers available.

One of Australia's largest tool manufacturers told PURCHASING WEEK that his top purchasing man is now as important as his top salesman. He said his P.A. has an office on the "executive floor" as against his previous office in a temporary structure, along with a company car at his exclusive disposal and a much enlarged staff.

## Proved Worth in Savings

"When we started to feel the pinch of competition," the tool maker explained, "this purchasing chap went into action and reduced the cost of our purchases by nearly 20% without affecting quality. We thought he deserved top recognition and we gave it to him. He sure helped us out a lot."

The managing director of a large Sydney-based chemical company said he never thought highly of the requirements for the position of his purchasing officer several years ago.

## More Suppliers—Tougher Buying

"Ninety per cent of our raw materials simply had to come from local sources and there were only two potential suppliers," he pointed out. "They had the same price and could offer the same conditions so we very simply divided the business on the basis of 50% each."

"But now we have not less than eight potential suppliers, including six abroad, and it takes a skillful man to effect cost-saving purchases."

Almost every industry surveyed by PURCHASING WEEK seems to have suddenly discovered that the purchasing agent can prove to be one of the most important men in the company.

## Improving Techniques

In their new era of competition and cost-cutting, the Australians are increasingly improving their buying techniques. Last year saw the start of a trend to give the purchasing man an opportunity to attend specialized management training sessions and special seminars. From all indications there will be more of it in 1960 and Australian purchasing executives will be traveling more (at company expense) to overseas management courses and conventions.

## Getting It Firsthand

Next year will also see quite a number of Australian purchasing executives making trips to the United States and Europe. The purpose of these trips is not necessarily to sign orders, but to

obtain firsthand contact with top suppliers, to increase the range of such supplying sources, and to gain on-the-spot information concerning suppliers' problems.

Almost every purchasing executive to travel in 1960 will visit the U.S. where he can now place orders for everything except a few consumer lines. Australian P. A.'s look to the U.S. as a leading supplier for many goods and materials. But it should be emphasized that the extremely high cost of traveling abroad will limit, for the time being at least,

the overseas visits to representatives of large companies only.

## Company Comments

Here are comments from four large companies that sent their P.A.'s abroad in 1959, and which were queried by PURCHASING WEEK on what results accrued from these visits:

Company "A" (a big firm with several branch plants and a near monopoly in its field in Australia).

"Conservatively estimating it, that trip saved us about \$200,-

000. Our man negotiated a new long-run agreement with our main supplier in Europe on much better terms, something that neither letters nor negotiations with Australian agents seemed to be able to achieve. We now have new suppliers for three important raw materials, all of them selling on credit instead of letter of credit. He also negotiated local manufacture under license for two promising new lines."

Company "B" (appliances).

"We can't estimate the monetary value of this trip but it certainly was worthwhile. We will send him again in a year or two."

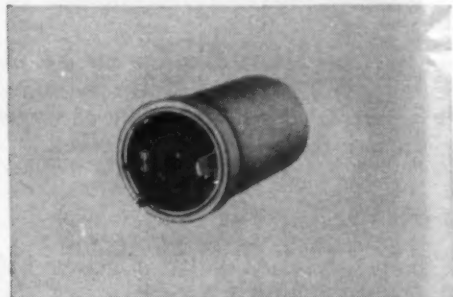
Company "C" (American-con-

trolled equipment manufacturer).

"Our man had to learn our purchasing techniques at our headquarters in the States. It is now about six months since he returned and the streamlining of our purchasing procedures is already showing results in cost reduction."

Company "D" (oil industry).

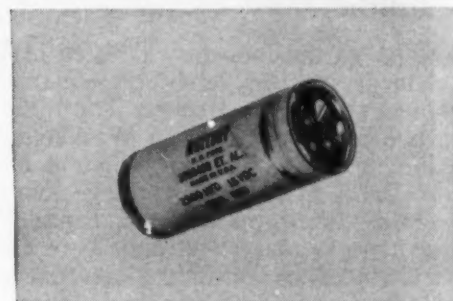
"We can't show anything definite resulting from that trip although one or two of the contacts could prove to be very beneficial and cost-saving. On the other hand, you know how difficult it is to get a good purchasing man and how sensitive they are when others like sales executives go for trips abroad . . ."



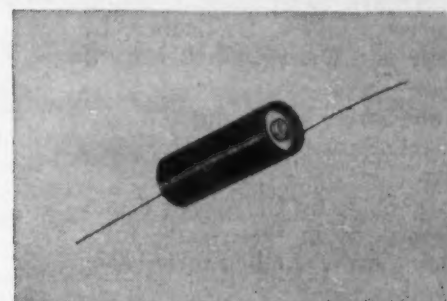
**Improved design FP's.** The original 85°C electrolytics, now in new "red top" design with leakproof seal. Etched cathode prevents filter hum. Chassis or printed circuit mounting.



**For entertainment equipment . . .** cardboard case tubulars . . . economy plus performance . . . wide range of ratings and mountings.



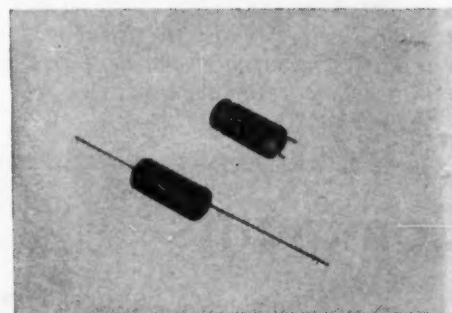
**Computer grade.** Life tested beyond 40,000 hours . . . high stability . . . low leakage. Exceptionally high capacity cuts cost per mfd.



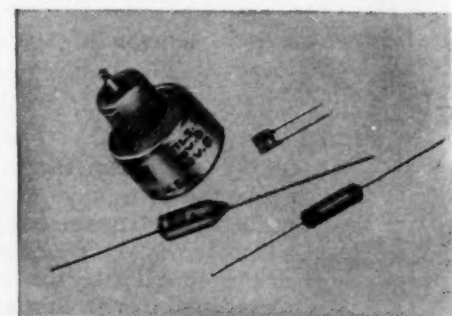
**For coupling and bypass.** TC electrolytics . . . long a standard of quality . . . proven performance. Also special Type TCX for -55°C.

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Whatever the application—military, industrial or entertainment equipment—there's a Mallory capacitor to fit your exact requirements. All are made and tested to meet highest reliability standards. And they're priced attractively, delivered promptly. Our experienced application engineers will be glad to consult with you.





## P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

### One of Five Is a Misfit

Industrial psychologist Robert N. McMurphy surveyed 901 companies, concluded that one out of five employees hired by American business and industry is simply not fit for his job. Put in terms of your company, figure that with a total workforce of 1000 men you will be hiring 100 new ones a year. Your total loss due to badly chosen employees (according to McMurphy's estimate): \$149,377.

### Gift Help

Purchasing department at Datex Corp. (Monrovia, Calif.) has helped solve a bothersome condition in the plant.

**Instead of the endless repetition of solicitations for gifts, the purchasing department—using company funds—buys appropriate gifts for presentation to the new father, mother, or bride.**

### 10,000 Men

Any talk you may have heard that aptitude tests for purchasing managers may be the next addition to the growing list of such devices took a jolt with the recent announcement of the results of a new survey that puts most psychological testing under an opaque cloud. The survey's takers, Dr. Robert L. Thorndike of Columbia University and Dr. Elizabeth Hagen, of the same school, warn:

**"... To show that any one career stands out as the best one for an individual seems to be outside the range of aptitude testing."**

Thorndike-Hagen took the scores made by 10,000 Air Force men in World War II and tracked down these same men today to find out what they're doing now. Among their basic conclusions:

Highest intelligence, on the average, was possessed by chemical engineers, followed by scientists, college professors, physicians, lawyers, and high-school science teachers. Low were policemen, social workers, and sales clerks.

The surveyors conclude:

**"There is no question that there has been over-interpretation of these tests."**

The survey is available in book form from John Wiley and Sons, Inc.

### An Inventory Problem

Purchasing men ready to begin building inventories again

to pre-steel-strike levels needn't bemoan their difficulties. Uncle Sam is the man with trouble:

Each year 500,000 new types of military items enter the approved defense procurement list, 500,000 leave. The total number of items procured by the military and naval forces is 3,500,000, with a value of \$47 billion.

Assistant Secretary of Defense Perkins McGuire reported in New York last week that standardization is helping the Pentagon trim down its inventory in numbers of items, but not, so far, in total valuation.

**One project in standardization carried to successful completion, reported McGuire—standardization of garbage cans. Now all cans get the same stamped insignia—not three different ones.**

### What's Before Profits?

Here's what happens to each dollar of income before profits, according to the recent National Association of Manufacturers booklet, "Industry's Profits": 54¢ go for suppliers, 32¢ to employees, 4¢ go for depreciation, 7¢ go for taxes, 1½¢ each for dividends and expansion. Only 3¢ remain for profit.

### Fighting Inflation

The men who stage the monetary debates in Washington have a new element in their long-term squabble. It's the British Government's Radcliffe Report. The report, originating in London and now circulating in Washington, indicates that there's scant hope of controlling inflation unless there's machinery to take care of *liquidity*. As things now stand, there isn't enough control over "monetary substitutes" such as treasury bills, shares in savings and loan association, life insurance certificates, and pension-fund shares, the report says. Hence government can't really control inflation by simply restricting credit and the physical size of the money supply.

The report goes on to suggest that those feeling the restrictive credit policy most are small businesses that are at the mercy of banks for their capital funds.

### Short Pointer

A New York management consultant has his own private way to size up prospective female help:

*"What I do is watch 'er run. Now if she wobbles from side to side on her high heels I figure she isn't well coordinated. Chances are she can't type well if she isn't well coordinated. Probably isn't an organized thinker, either..."*

## Follow Up: Letters and Comments

### Corrugated, That Is

Dayton, Ohio

I thought I might bring to your attention your Dec. 7 issue, page 15, photograph nine, showing corrugated shipping containers ("9 Ways to Pack It").

The words "cardboard carton" convince me that maybe our advertising of corrugated shipping containers should take a different trend, namely, educate people that the word "cardboard" is rather passe.

I still want to compliment you, however, on the excellent material throughout your magazine.

Morris Messick  
Advertising Department  
The Mead Corp.

### Wrong Credit

Columbus, Ohio

PURCHASING WEEK erred in its story "U. S. Hand Tool Makers Combat

Imports with Low-Priced Lines" (Nov. 2, '59, p. 21).

Innovator of aggressive promotion of U. S. made farm and garden hand tools over imports (on bases of "make," price, and reorder availability) was The Wood Shovel & Tool Co., Piqua, Ohio.

Major hardware and building supply publications editorially noted Wood's aggressive strategy in March and April 1959 issues.

How about giving credit where due?

F. E. Elliot  
Vice President  
The Warner P. Simpson Co.

### The Right Number

Victoria, B.C.

I was interested in a reference concerning vacuum cleaners in your Oct. 26 issue, that stated the Superintendent of Documents, U. S. Government Printing Office, had available for distribution a useful booklet on the subject

("Profitable Reading for Purchasing Agents," p. 21).

I wrote that department but my letter was returned with the notation that this information was not available.

G. F. Sharpe  
City Purchasing Agent

• Ask for Commercial Standard  
CS225-59.

### Prospector's Friend

San Diego, Calif.

Where can the instrument known as "the Revealer" be procured (P.W., "Hazel's Had It," Nov. 23, '59, p. 1)?

This is the new device that reveals the underground whereabouts of metallic and other objects.

J. V. Christ  
Buying Supervisor  
Purchasing Department  
Ryan Aeronautical Co.

• United States agent for Grace Bros., Ltd., Fenchurch, London, E.C.4 is: Porter International, Washington, D. C.

## Purchasing Week



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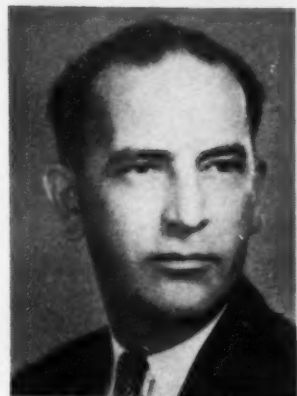
## How does your company handle chargebacks on rejects that cause rework or sorting?

Question asked by: W. H. Bunin, Director of Purchases  
The Toni Co., St. Paul, Minn.



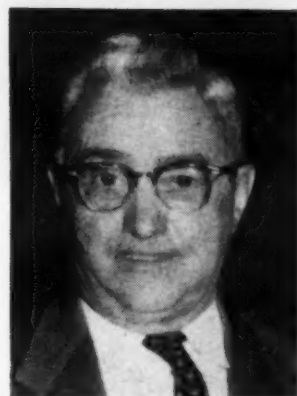
Vince Underwood, manager purchasing, Whittaker Gyro Division of Telecomputing Corp., Van Nuys, Calif.:

"The sampling method is used and wherever defects are found in excess of allowable percentages, all material is returned. If, for expeditious reasons, we inspect 100%, we absorb the cost. When rework at our plant is required, a 'not to exceed' price is established; the supplier is notified and requested to approve it at his expense. When approval is received, accounts payable is notified of the terms of acceptance."



R. W. James, purchasing agent, Hart Mfg. Co., Hartford, Conn.

"We charge for labor only, provided it is not a continuing situation. If a supplier persists in sending rejectable material, we will charge for overhead. We normally prefer to return the shipment untouched unless there is an urgency of requirement for production. If this is so, we then contact the vendor and request permission to inspect. Unless we have permission, we do it at our own expense."



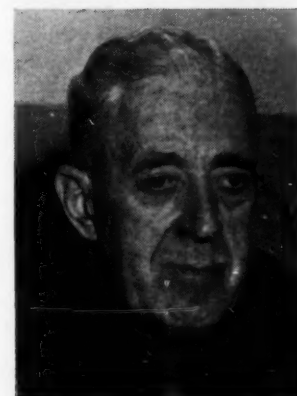
G. L. Baumgartner, purchasing agent, Aldrich Pump Co., Allentown, Pa.:

"When we get a defective slip from the shop office, we contact the supplier, tell him the material is defective and ask for permission to return it. When permission is received, we issue shipping instructions and with the shipping papers we send a blank debit memo asking the customer for confirmation with his credit memo. Of course, when the credit memo comes in the thing is closed."



Gene Paprota, purchasing agent, King Bee Mfg. Co., Bellwood, Ill.:

"Quality assurance is responsible for incoming material inspection. After sampling, rejected material is returned to the vendor at his expense. However if the material is needed for immediate production, the vendor is notified that the material has been rejected and will be accepted under condition that he will assume all charges encountered in reworking the material to specifications as shown on the purchase order."



Leon de Polac, purchasing agent, National Lead Co., Titanium Division, Tahawus, N. Y.:

"This problem occasionally appears even though we do not produce a finished product. Sometimes the expense involved also covers 'incidental expense' where the labor cost of removing the defective item exceeds the material cost of replacing the complete unit. Except in borderline cases, we charge back to the manufacturer incidental labor involved in reworking, removal, reinstallation, etc., including all related payroll costs such as overhead, compensation, etc."



W. H. MacMillan, purchasing agent, Rowe Mfg. Co., Inc., Whippany, N. J.:

"Material coming in would go through our quality control department and anything not according to specifications would be rejected. If we had the time, we would send it back for a replacement. If it is a question of urgency and we needed it, we would rework it ourselves and back charge the supplier."

## THE NATIONAL SCENE



## NEED ENGINEERING MATERIALS FAST?

NATIONAL FIBRE DELIVERS STANDARD GRADES FROM STOCK

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Normal stocks average 30 of the most used grades including glass base, major paper and cotton base grades and those meeting Mil-Specs.



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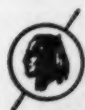
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Moving day is the day of worry for the wife of the family. But the P.A. can smooth her way via latest transportation techniques.

## What the Purchasing Agent Should Know

*When he buys moving services, the industrial P.A. switches from the important area of products and materials to human relations. For a glimpse of what's involved in a successful move, Purchasing Week spent a day watching. Here's what we saw.*

This is Mrs. Theodore R. When the photo above was taken, she was a housewife in North Merrick, L.I. Now, a few weeks later, she and her family are living in Caracas, Venezuela, where her husband has been transferred by the accounting department of an American company's overseas division.

The men she is watching with such deep concern are a skilled and efficient moving crew from the Seven Santini Brothers, a large New York City moving firm. They'll take good care of her china, washer, TV and baby's crib, for her husband's employer, who is paying for the move, wants to be sure the whole family is as happy as possible in its new home. If the move goes well, the company hopes Mr. R. will be a more productive man on the job.

The look of concern on Mrs. R's face is shared by many housewives all across the country whose husbands are being transferred to new positions. The moving industry expects that about 400,000 families will be moved to new jobs in 1960. Not all are going overseas, of course, but a move to Peoria, Allentown, or Houston is just as big a disruption of family life, the children's school, and the morning kaffe klatch.

A big part of relocation unhappiness can be a crude and sloppy job by the mover that transports the family's household goods to the new home. Motivation

research studies done for Santini Bros., show that families view the mover as being a representative of the employer. If they scratch the dining room table, the boss or maybe you takes the blame. That's why when you buy moving services for household goods, the quality of the service you purchase is more important than ever.

Three reasons why you've got to learn more about moving:

1. **It's a changing business**—Strong backs have been replaced by containerization, damage-free packing, and unit loading. . . . Moving is a scientific business that uses advanced material-handling techniques familiar to most P.A.'s from other transport buying. And most movers provide special services that help the family that is moving to settle down in the new community.

2. **It's complicated**—Moving is a tariff-regulated industry . . . but there are two different tariffs, tricky estimates, insurance red tape, and other complexities. Few P.A.'s have the expertise in their departments to wend their way through the confusion.

3. **It's people on the move**—When you buy moving you need a buying policy . . . like any other purchase. Few companies have definite policies or a central authority to administer employee moves. It's often left to chance—and that hurts the employee, doesn't get you the best serv-

ice, builds friction between personnel, traffic, purchasing. There's a place here for thinking out problems in advance, even for the smallest companies.

### How the Industry Works

Moving, though it's a transport industry, isn't as simply organized as railroad-ing or trucking. What's confusing is that local firms seem to be associated with national chain van lines, yet carry their name and colors on locally-owned vans.

The locals are agents for the national chains—like Allied, North American, Mayflower and United—that actually have no vans of their own. In addition to associated chains there are a few concerns that have wholly-owned, nation-wide service. Greyvan (a subsidiary of the Greyhound bus lines), Neptune, and National Van Lines are examples of these. Some very large locals like New York's Seven Santini Brothers have nation-wide operations and reputations. Though they are members of chains like United, they operate much as independents. Finally, there are small, one or two truck independent local operators who may do only intra-state moves.

The agency system gives local movers the advantages of nation-wide service network. The local agent can take a van load to a destination and usually expect a return load from the agent at the other end of the line. The chains also provide na-

tional advertising and sales aids that local movers couldn't afford on their own. For instance, United has a free consultant, who will advise customers on places to live in their new community, schools, and churches. However, the P.A. still has the advantage of dealing with a locally-owned firm so he can rate his vendor on basis of people whose work he can check easily.

### How the Tariffs Are Set

Moving tariffs are developed by two industry associations, then submitted to the ICC for approval. The association to which the mover belongs determines the tariff he uses. The Household Goods Carrier's Bureau is the largest group with about 2200 members including all Allied, North American, Mayflower and United Agents. The Movers' Conference of America has a membership composed of somewhat smaller firms, though it does have chains like Atlas and nation-wide independent operators like National Van Lines. MCA tariffs are generally 3 to 5% lower than HGCB rates, though not for all routes.

Local and intra-state tariffs are set in much the same way by state public utility commissions. Local moves are on an hourly basis with a set rate for each man and truck, and vary greatly with local labor conditions.

Tariffs also cover extra charges like





**1. SPECIAL BOXES** and special care insure protection for delicate household items: interleaved boxes for books, fitted covers for furniture and major appliances, and wooden crates built on the spot for fragile paintings and outsized mirrors.



**2. WOODEN LIFT-VANS** come direct to customer's home for overseas moves. Pre-built crates make trip to warehouse for repacking unnecessary. After they're loaded, the Lift-Vans go directly on board ship. Crates are engineered for durability.



**3. AIR-FREIGHT** container, for movers in a hurry, is of corrugated construction, weighs only 58 lbs., but can carry up to 3,000 lbs. of furniture. Light packing makes air shipment economical. For a detailed look at other methods, turn page →

## How About Buying Better Moving Services

packaging materials, storage, extra handling, transshipments, and additional premiums of \$.30 per 100 lb. for handling goods in metropolitan areas like New York, Philadelphia, or Boston.

There's no big secret about tariffs, however. Any P.A. who anticipates buying moving services can get a tariff booklet from his movers.

### How They Figure Moving Costs

A moving bill is made up of four kinds of charges: transportation, figured on a weight and distance basis; packing and special services, charged for individually; transit insurance and 3% federal tax. The weight of a shipment is determined by first weighing the van (plus all packing equipment: boxes, barrels, and padding) on a certified scale. After the furniture and household goods are loaded, the van is re-weighed. The difference in weights is the amount that appears on the bill of lading. If the customer has his doubts, he can get a reweight, but there's an extra charge for this if the difference in weights is below 100 lb. on 5,000 lb. shipments or 2% on shipments over 5,000 lb.

The total transportation charges are based on ICC standard mileages for the certified weight of the load, from city to city. The tariff gives rates for a "released valuation" of the goods of \$.30 per lb. This means that the mover's maximum liability for damage to the goods is \$.30 per lb. Obviously this doesn't begin to cover the value of most household items. For instance an antique chair valued at \$120 might only weigh 10 lb.—and all the employee could collect would be \$3.00 in case of total loss.

If a higher valuation is placed on the

shipment, then a higher tariff applies. However, the cheapest way to take care of higher valuation is by transit insurance—only \$5.00 per \$1,000 of valuation. And many companies already have general freight damage insurance which may cover employee household goods moved at company expense.

Most movers have a minimum load requirement of 500 lb. per room, so most moves will easily exceed the minimum. Special bulky shipments like industrial displays are carried on the basis of an assumed average weight of 7 lb. per cubic foot. This rule holds good for unusual household goods, too.

If the shipper wants the quickest service, and he doesn't have a full van load, he can pay for "exclusive use of the van." This means that this load carries a charge figured on the basis of 7 lb. per cubic foot times the volume of the van. Vans range in capacity from 15,000 cubic feet for local moves, up to 50,000 cubic feet for long-distance hauling.

Otherwise the small shipment must wait until there are enough other loads going in the same direction, though not necessarily the same destination, to make up a van load. Ordinarily, this takes only a few days between major cities. Many movers will consolidate shipments with other agents from the same van line. This process takes longer and may mean that the furniture is handled several times. There are also extra charges for expedited service, beyond the weight, or exclusive use of the van, basis.

If it's necessary that the employee's furniture be held in storage until his new home is ready, movers will supply "storage in transit" at \$.60 per 100 lb. plus an additional \$.60 per 100 lb. for han-

dling the goods to and from the warehouse. A total of up to 360 days storage is included at either end. After that, the storage is billed at regular storage rates. There are also additional charges for insurance and special handling that depend on the particular shipment.

Movers will make pick-ups from other cities and deliver the consolidated load at the new home for an additional charge specified by the tariff.

### How to Understand an Estimate

P.A.'s used to getting firm bids from vendors for their purchases won't like moving service estimates. An estimate is merely an educated guess. No matter how low it was to begin with, you must pay the tariff charge for the certified weight of the load. However, most moving estimators can easily get within the 10% accuracy specified by ICC.

Greyvan Lines penalizes their district offices if the final bill is over the estimate. This tends to stop low estimates made just to get the job.

Estimators use a standard ICC inventory form that lists all types of household furniture with a corresponding "cubage" or standard average van space occupied by the piece. Even such unlikely but common things as sand boxes and bird cages are listed—at 10 and 5 cu. ft. respectively. The estimator totals the number of arm chairs for example, at 10 cu. ft. each and so on for the rest of the house's contents. Then he adds up the list and multiplies by an ICC standard of 7 lb. per cu. ft. to get an estimated total weight for the shipment. The estimated weight is checked against the tariff to figure the transportation charge to the destination. Packing and special services and insur-

ance are added in to get a total estimate.

A six room house usually has about 6,000 lb. of furniture and appliances, or about 40,000-45,000 cu. ft. of van space. Experience indicates that the ICC 7 lb. per cu. ft. is a bit high; a shade over 6 lb. per cu. ft. seems more accurate. Some movers juggle their cubage totals to take this factor into account and thus give a lower estimate. Others stick to the standard; this way the customer gets a pleasant surprise when he pays the bill—it's lower than the estimate.

It's a good idea to get at least two estimates, not so much for a lower price, but to make sure the estimate includes all the furniture and miscellany the employee may have. Often families forget whole attics and garages full of stuff when the estimator is there, but it gets moved—and the employer picks up the tab.

If all estimates agree substantially, you can be pretty sure everything is included. Don't make a decision just on the lowest estimated figure alone.

A good way to get information on the reliability of your local movers is to check with the Better Business Bureau, the local Traffic Club, or other P.A.'s who may have used him. Don't be afraid to ask the mover for names of local families that his firm has handled; if he does a good job, he should be happy to give you references.

### What Extras You Can Buy

The old proverb goes: three moves equal one fire. But not three of today's scientifically-engineered moves. New packaging techniques like the Santini Bros.' Saniwrap for glassware (see photos) practically eliminate breakage. Special

(Turn to Page 14)

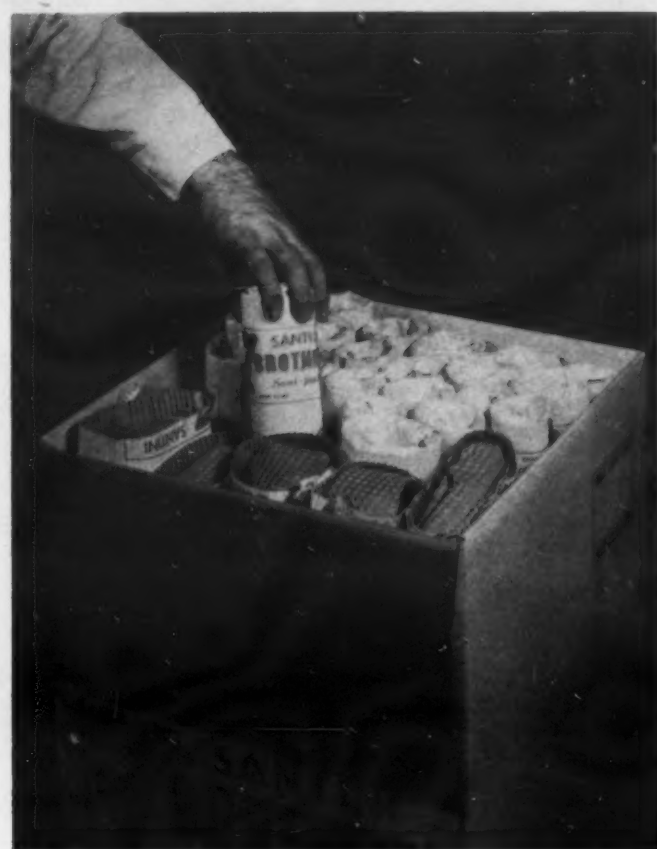


# The Ins and Outs of Buying Moving Services

(cont. from page 13)



**4. ENGINEERED WRAP** protects glasses and china from breakage, cuts out the old dust and dirt of excelsior, shredded paper. Specially tailored wrap boosts efficiency of packers. It's a quick, one, two, three operation.



**5. SPECIAL CARTON** receives wrapped glasses, china-ware, assures rattle-proof pack for transportation.

interleaved cartons for plates; boxes for lampshades; and tight-fitting, sanitized mildew-proof covers for furniture, make the packing stage much less painful for the housewife than it used to be. No more dusty excelsior or shredded newspaper. New methods are cleaner, and save packing time.

Movers also offer space-age service for home appliances like TV and hi-fi sets, electric ranges, washers and dryers. They'll disconnect them at the home and make arrangements for them to be connected by a properly licensed electrician or plumber at the new residence. Also, moving crews will take care of picking up and replacing wall-to-wall carpets or such things as venetian blinds. Some even offer pet service for dogs and cats—portable kennels to take along with the family or ship by Railway Express.

But these are extras, and most companies pay for them gladly, just to make the housewife happier. A Greyvan Lines survey shows that 92% of corporate moves include packing, and 57% pay for appliance service. And 62% advise employees to leave all packing to the movers, no matter how delicate the family heirlooms. Skilled packers can do a better job than the family and besides, goods packed by the family aren't covered by insurance.

Extra charges on fiber barrels and special packing boxes range from \$3.00 to \$8.00, including all packing materials, packing and unpacking labor. Most firms feel that this is a very reasonable charge, but not all are willing to pay for installation of 220-volt lines for appliance service, which can easily run into hundreds of dollars.

## Why Vendor Relations Are Important

Unlike railroads and truckers, movers can't expect a convenient daily regular flow of business. Everyone wants to move out of his home on the last day of the month and be in his new residence by the first of next month, to avoid extra rent. Overnight service is usually impossible, because van drivers can only go 300 miles or ten hours at a stretch and most vans only carry one driver. Peak demand periods are June, August, just after, and before, school starts. It's not unusual to find a mover completely booked up for these months.

But, as in any other supplier-buyer situations, good vendor relations can help out in a pinch. Get to know your mover's commercial account representative. He'll

be glad to explain his tariff services, and peak demand periods. And there is an advantage in giving all your moving to one firm, even though you may have a policy of spreading local business: Steady business helps get better service.

Regular dealings with one firm also helps establish your company policies, too. The mover gets to know the services you'll pay for, and he can help answer many employee questions. There will be less confusion about when and how the job is to be done. And remember that the work is strictly COD, unless your company has an account with the mover. Often employees have been embarrassed by a moving bill for hundreds of dollars that they had expected the company to pay except that necessary arrangements had been forgotten in the rush.

## Why International Moving Is Complex

There are two big problems that make an international move much more com-

plicated than normal household goods moving. First, the furniture is subjected to a real beating in transit and thus requires much more careful packing than van-carried goods. And second, once the shipment is out of the U.S., the furniture is considered an import by the other country and thus is subject to import duties, embargoes, and other restrictions. Besides working with foreign governments on import matters, there's the further complication of arranging final transshipment on the other end, through agents.

Furniture is bounced around in loading the ship, while at sea, and on trucks abroad. There's likely to be dampness aboard ship and mildew later on. And often the shipments are pilfered by everyone from customs officials to longshoremen once overseas. The Aramco oil company expects to lose from 20 to 30% of a shipment by thievery, according to the Santini Brothers Export Division.

Overseas movers use elaborate packing

material to protect the load from damage. Shown above and on the preceding pages are typical overseas shipping boxes—a wooden Lift Van, an Army "Conex" steel container similar to those used by some movers, and Santini Brothers' "Stratovan," an air-freight container.

Santini carries the pre-assembled Lift Van to the customer's home on a flat bed truck. There the box is loaded according to a carefully-made loading plan. Pre-packing, a process of wrapping each piece of furniture with waterproof paper, may have already taken two or three days. Everything is packed into the van as tight as possible to cut damage from one piece rubbing against another. The truck then carries the container load directly to the dock, thus saving intermediate handling and packing at a warehouse.

## Why Air Shipment Is Increasing

The Stratovan is a recent Santini innovation that makes possible air freight shipments of furniture. The corrugated cardboard container is light in weight, but it is nearly as strong as a wooden container. Steel binding straps around the load give the extra strength.

Air freight on a shipment often costs less than a shipboard load when all costs are included. Santini estimates that an 8,000 lb. Stratovan shipment from New York to Paris costs about \$3,355 compared to \$4,612 for a surface shipment carried overland to Paris via Le Havre.

One saving comes because air freight is much easier on the load than shipping. Less packing is needed, and also less handling. And this difference doesn't include the per-diem expenses of the employee and his family while they wait for their furniture to arrive. The Stratovan will be there in 16 hours, but ship will take at least 8 days, including overland transshipments.

It takes a mover with real savvy to get through the red tape of customs. The men on the U.S. end need to know what is subject to duty, for most countries will accept used household goods duty free. However, elaborate proof often is needed to show that shiny washers and stoves are really "used." Also, many countries have outright embargoes against certain items. Saudi Arabia won't permit rubber garden hose to enter, or products made by American firms suspected of aiding or selling to Israel. Chile wants to protect its wood products industry, so it has a complete embargo on wooden furniture and accessories even knife handles.

## A Moving Checklist

- 1. Establish a policy.** Find out what your firm will pay for on an employee transfer. Then work out an information bulletin so transferees will understand what expenses are covered.
- 2. Meet your movers.** Visit the warehouses of local movers even if you don't expect any transfers in the near future. Inspect the packing materials and methods. Check on their work with other P.A.'s, the Better Business Bureau, local traffic clubs.
- 3. Get the facts on a move.** Set up the date and location of a move as far in advance as possible.
- 4. Get estimates.** Get at least two so you can compare them. Let your employee know the estimator is coming and explain your company policy to him.
- 5. Pick for value.** The cheapest service you can buy will not be the best value if your employee is unhappy with it. Be sure your mover can meet his time commitments; delays will cost you money and make the move more trouble for your employee.
- 6. Check on details.** Does the employee know what the company will pay for? On an overseas move, does he understand customs and import restrictions? Check on transit insurance.
- 7. Follow up.** Ask the employee's wife to report on the quality of the service, courtesy of mover's men and for any damage to her furniture. Make sure claims are paid.



## Democrats Choose Two Focal Points For Their 1960 Campaign Platform

### Looser Money, More U. S. Spending Dominate Party's New 10,000-Word Policy Statement

Washington—Democrats have chosen easy money and bigger federal spending as their best issues for the 1960 presidential campaign.

The leadership of the National Democratic Party, as differentiated from the Lyndon Johnson-Sam Rayburn congressional leadership, has hammered out a 10,000-word policy outline that amounts to a preview of the 1960 campaign platform. The document is the work of the Democratic Advisory Council, whose members are 32 of the most influential Democrats and include all but Johnson of the party's major presidential aspirants.

#### Urges More Space Spending

The council proposes sharp increases in federal spending for space exploration, military armament, schools, hospitals, hydroelectric dams, atomic power development, public housing, assistance for the unemployed, urban renewal, and help to the aged.

The words "easy money" appear no place in the Democrats' language, but the intent is clear. Council report says monetary and credit restraints should be exercised with great selectivity, so as not to push up interest rates "across the board" and only "to curtail activities we need less of, without preventing the activities we need more of."

#### Depreciates Inflation

The council downgrades inflation as a major worry and says reversal of Eisenhower's monetary policy would be the first Democratic step in "restoration of a satisfactory growth rate," which is the major element needed, in this view, to "balance both the federal budget and the American economy at high levels. . . ."

The council puts no price tag on its spending propositions, but implicit is the admission that a Democratic administration heeding its advice would bring the nation in short order to or near a \$100-billion federal budget.

As accompanying features, to pay for the big federal programs, the council would rely on added revenue from two other major sources:

- Closure of some tax "loop-holes." It cites three—"the high depletion allowance on oil and

gas wells, special consideration for recipients of dividend income, and deductions for extravagant business expenditures. . . ."

- A large buildup of the Internal Revenue Service's enforcement staff, with the aim being to recover "several billion" annually in taxes off income that now goes unreported.

## Canadians Find New Ways to Ship Chemicals

Toronto, Ont.—Canadian buyers and sellers are cutting costs through a number of innovations in transporting chemicals.

Outlining these developments at a recent meeting of the economics division of the Chemical Institute of Canada, Dr. W. W. Stewart of the Imperial Oil Co., Toronto, listed the following:

- A 500-gal. fiber drum—a safe container—larger than conventional steel drums and reusable for either solid or liquid.

- A synthetic rubber, collapsible container for up to 4,000-lb.

capacity which has been successfully used for solid chemicals, catalysts, and carbon black.

- Dry, powdered, or pelleted bulk petrochemicals are now effectively and economically loaded and unloaded pneumatically. They are shipped in pressurized tank trailers.

- A trend toward large containers for land or water transportation of petrochemicals, sparked by the construction of larger tank cars and tank trucks that can be carried either via piggyback or fishyback.

"One of the most spectacular developments in water transportation of petrochemicals," Stewart pointed out, "has been the large scale commercial utilization of liquefied gas tankers."

He said this type of equipment has provided facilities for shipping ever increasing quantities of LPG gases, ammonia, methane, chlorine, soda, and molten sulphur via water.

Stewart hinted that continued lower transportation costs of bulk chemicals probably would keep prices level or even lower them.

# O-B VALVES

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Are you using 150 and 200 pound bronze valves on lines carrying 125 pounds steam? Do you believe that quality bronze valves aren't available below 150 pounds steam pressure?

Take a look at these Nos. 1501 and 1502 O-B globe and angle valves. They are the answer to your problem and can save you money. They have all the quality features found in higher pressure (and higher priced) valves . . . packing gland inside the packing nut . . . two-piece stem and disc holder construction . . . backseating design for repacking under pressure . . . heavy body, neck and bonnet.

Why take on the added expense of using heavier valves when O-B valves can do the job for you at lower cost? Ask your O-B distributor about these valves, or write to OHIO BRASS COMPANY, MANSFIELD, OHIO



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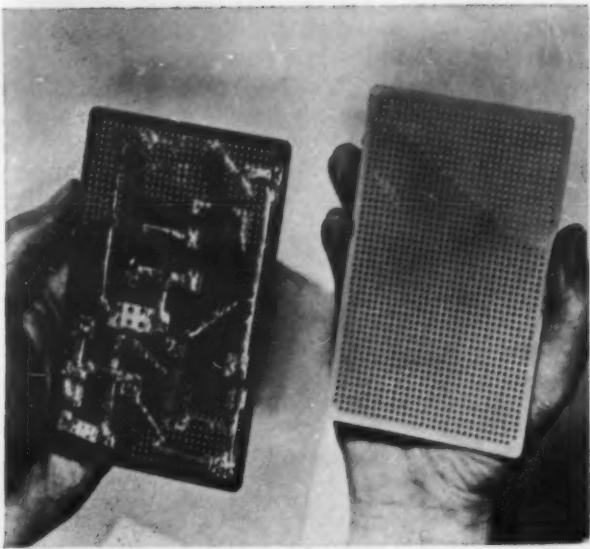
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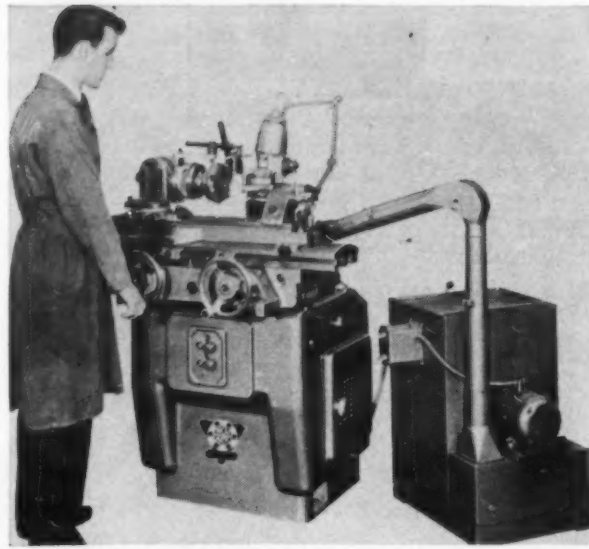
### Grid Board

#### Makes Printed Circuits

Electronic designers can make and remake printed circuit layouts with glass-ceramic grid board right in the lab. Clad on both sides for etching of layouts, components can be soldered into 0.052-in. holes,  $\frac{1}{16}$  in. apart, as many as 50 times before circuit failure.

Price: \$3.95 to \$24.75 (3 x 5, 6 x 8, 9 x 12 in.)  
Delivery: immediate.

Corning Glass Works,  
Bradford, Pa. (P.W., 12/21/59)



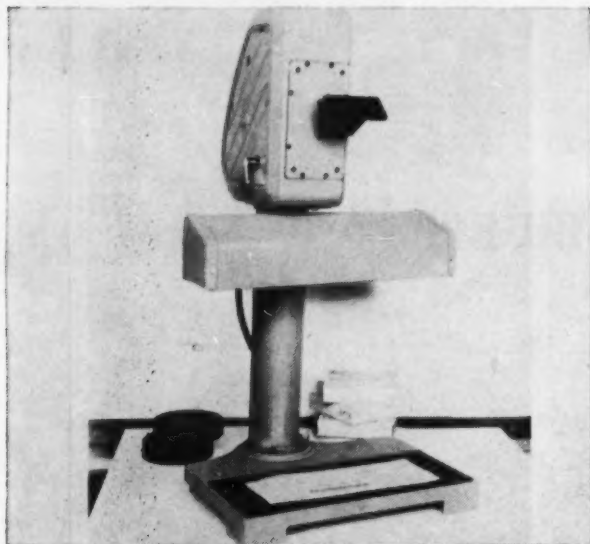
### Tool Grinder

#### Cutter Head Adjustable

Cutter head is adjustable to swing from 8 to 12-in. diameters for cutting or grinding operations. Working surface is 29½ x 4¼ in. Roller chains and cross-saddle mounting provide traverse, cross-feed control. Wheel spindle is mounted on preloaded bearings.

Price: \$2,920. Delivery: 1 wk.

Micromatic Hone Corp.,  
8100 Schoolcraft Ave., Detroit 38, Mich. (P.W., 12/21/59)



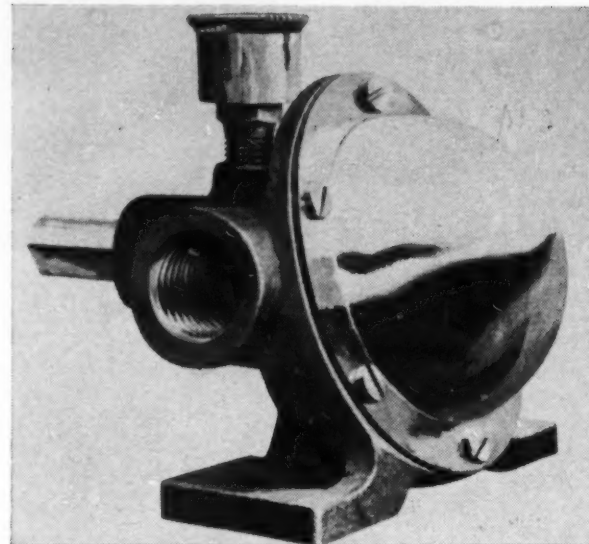
### Microfilm Recorder

#### For Standard Forms

Light touch of lever records standard office form and automatically sets 16 mm. film in position for next picture. Unit weighs 20 lb. and uses preset alignment and built-in lighting to record up to 8,000 cards on one roll. Used portion of film can be developed at any time.

Price: \$450. (recorder)  
\$15. (film). Delivery: immediate.

Regiscope Corp. of America,  
799 Broadway, N. Y. 3, N. Y. (P.W., 12/21/59)



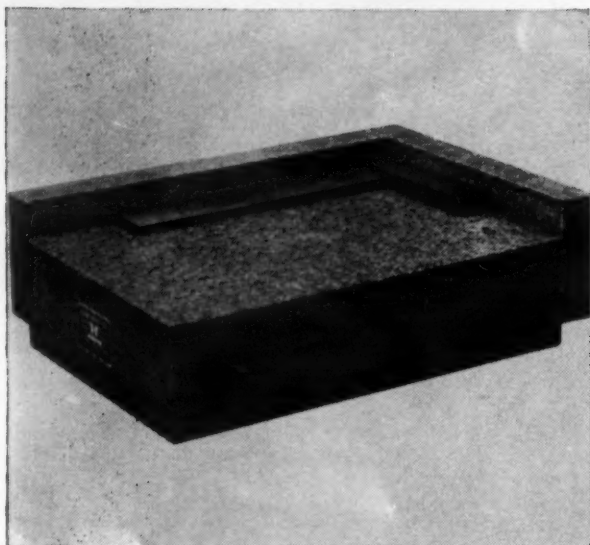
### Transfer Pump

#### Has Self-Adjusting Vanes

Nylon rotor and vanes are chemically inert to most fluids, and will not tear or shred. Pump is free running, wet or dry, and starts or reverses with extremely low torque. Vane design incorporates self-adjusting take up for wear. Pump primes itself with suction lifts over 6 ft.

Price: \$21.95 (10 gal./min.). Delivery: 30 days.

Transflo Corp., 7662 Melrose Ave., Los Angeles 46, Calif. (P.W., 12/21/59)



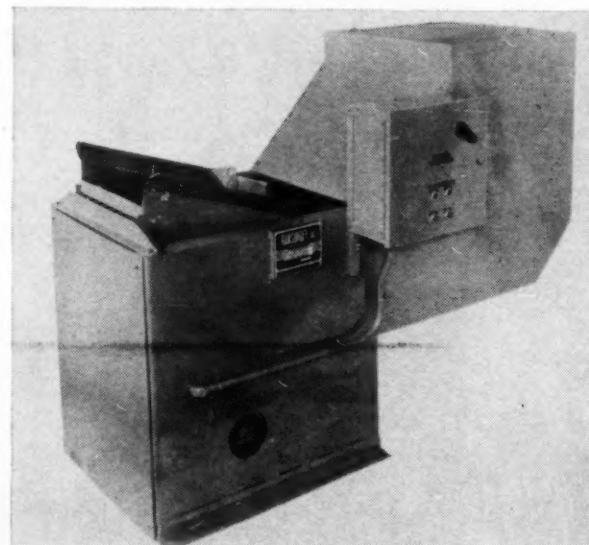
### Granite Surface Plate

#### Checks 3 Sides

Inside square plate (with one or two vertical sides) permits rapid 3-dimensional checking. It gives simultaneous 90-deg. angle measurement of two or three sides of precision part. Quartz granite material is dimensionally stable with angle accuracy of 90 deg.  $\pm$  3 sec.

Price: \$375. (12 x 18 x 4½ in.). Delivery: 3 wk.

Herman Stone Co., 1860 N. Gettysburg Ave., Dayton 27, Ohio. (P.W., 12/21/59)



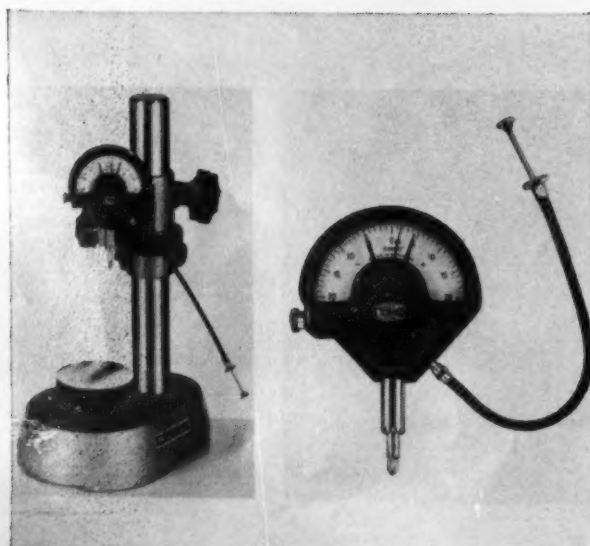
### Chip Separator

#### Directs Air Blast

Screw machine parts are fed into hopper where they are vibrated over sloping screen through which high-velocity air blast is directed. Chips are blown upward into hood and work is discharged from chute at side. It processes approximately 1,000 lb. of parts per hr.

Price: \$1,985. Delivery: 3-4 wk.

Ransohoff, Inc., 50 Ford Blvd., Hamilton, Ohio. (P.W., 12/21/59)



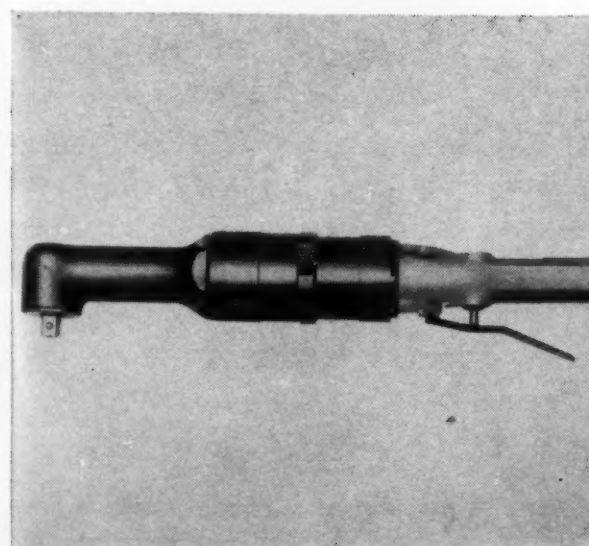
### Dial Indicator

#### Is Shock Proof

Cam-lock adjustment for zeroing of indicator is not disturbed by shocks or accidental contact. Indicator gives 0.0005 or 0.00005-in. direct readings. Tolerance is set by 2 hands on outside. Stand, 10½-in. high, accommodates indicators with 8 mm. shank.

Price: \$32.50 (0.00005 in.). \$29.75 (stand). Delivery: immediate.

Scherr-Tumico, 200 Lafayette St., N. Y. 12, N. Y. (P.W., 12/21/59)



### Power Wrench

#### Eases Nutrunning

Non-reversible, 90-deg. angle power wrench operates on 90-100 psi air pressure with vane-type air motor. Models with 500, 700 and 1,000 rpm permit nutrunning under power in difficult access areas. Rated bolt sizes range from  $\frac{1}{8}$  to  $\frac{1}{4}$  in.

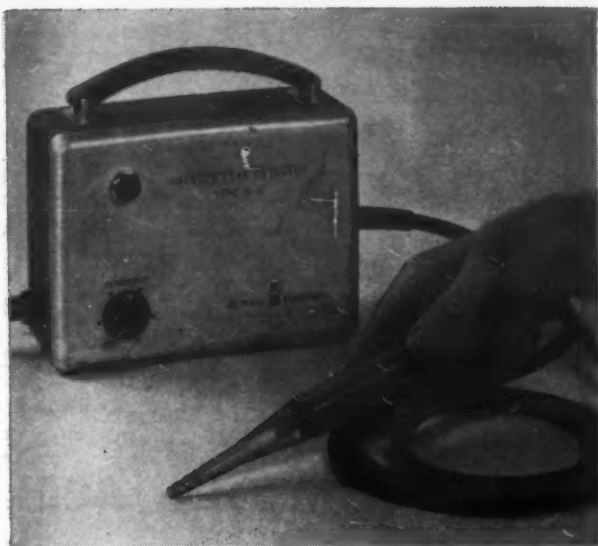
Price: \$305 to \$350. Delivery: immediate.

Buckeye Tools Corp.,  
5003 Springboro Pike, Dayton 1, Ohio. (P.W., 12/21/59)



# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



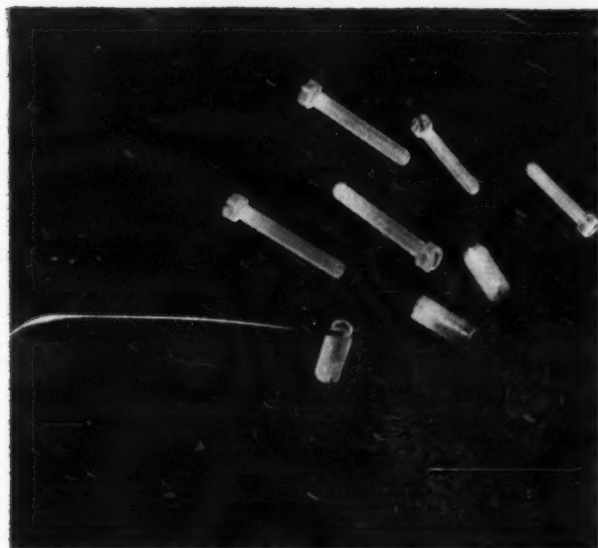
## Leak Detector

### Pinpoints Small Leaks

Transparent plastic probe lights up over leak as small as 1/2 oz. per year. Eight-lb. unit (probe and control box) is set to desired detection level for any halogen compound (refrigerant) in air conditioning or refrigeration system. Unit operates with plug-in power cord.

Price: \$180. Delivery: immediate.

General Electric Co., Schenectady 5, N. Y. (P.W., 12/21/59)



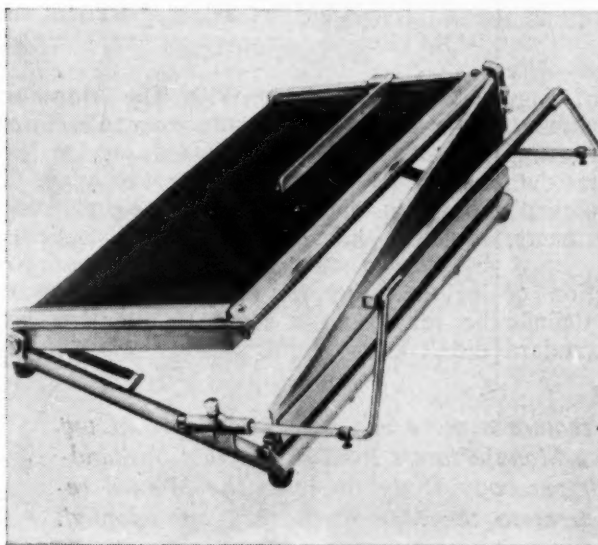
## Miniature Screws

### Have Ultra-Fine Threads

Molded nylon fastener with jewel socket and ultra-fine threads (72, 80 or 90 per in.) is used in meters, etc. Excellent electrical insulator, nylon also exhibits resistance to abrasion, corrosion and bacteria. Lengths are 3/8, 1/2 and 3/4 in.

Price: \$12.60 to \$13.50 per thousand. Delivery: immediate.

Gries Reproducer Corp., 127 Beechwood Ave., New Rochelle, N. Y. (P.W., 12/21/59)



## Paper Trimmer

### Cuts Material To Size

Art work, photo, or paper is placed on trimmer table against built-in blade guide. Work is cut to size in seconds. Steel blades and nickel plated parts have long life. Available in three sizes: 14x10 in., 18x10 in., and 26x12 in.

Price: \$34.95 to \$59.95. Delivery: 2 wk.

Michael Lith Sales Corp., 145 W. 45th St., N. Y. 36, N. Y. (P.W., 12/21/59)



## Plastic Tote Box

### Is Rust Resistant

Molded fiber glass and polyester resin construction gives smooth, non-porous surface that is rust-resistant and lightweight (6 lb.). Molded handles are part of one-piece stacking lip. Steel wire concealed within edges adds strength and rigidity. Dimensions are 10 3/4 x 22 x 8 in.

Price: \$4.70 to \$5.50. Delivery: 6 wk.

Molded Fiber Glass Tray Co., Linesville, Pa. (P.W., 12/21/59)

## This Week's

# Product Perspective

DECEMBER 21-27

Polyethylene and other plastics are elbowing their way prominently into still another industry. This time it's chemical equipment—a field where plastics have had a greater effect on new product design than any other single factor.

The extent of the penetration was clearly demonstrated at the chemical industries' exposition in New York earlier this month.

If you are in the market for something new in lab equipment, there now is a full line of plastic models—including a sink (complete with fume hood and outlets) made entirely of polyethylene. We now have the first injection-molded plastic filter plates, all plastic filter cloth headers, and special weave nylon Monofilament filter cloths.

The plastic parade also includes rotary pumps with neoprene impellers, PVC centrifugal fans, plastic machined parts, filter membranes, nuts and bolts, and special corrosion-resistant parts for processing plates.

Another new plastic, Gaflon, also was shown for the first time. It is similar to DuPont's Teflon and is fabricated in France.

Fiber drums for liquids also use plastic products. Continental Can exhibited a new set of polyethylene-lined fiber cans. Cheaper than steel drums, the fiber carriers weigh less, are non-corrosive, and are described as giving good insulation.

• • •

Many new kinds of chemical gadgets and intricate devices high-lighted the new product showings by the chemical equipment industry.

• New developments in process analysis created much interest. Rapid evolution in this field since the last exposition, two years ago, has brought many innovations. Research has improved instrumentation to the point where faint signals from delicate sensing devices are amplified to tell process controls what to do.

One series of instruments shown could indicate and control any variable that could be converted into an electrical quantity; another any process variable that could be converted into a resistance change, and finally, there was a two-stage signalling controller that could be used with any transducer generating a d.c. signal.

Another type of monitor was a completely automatic analyzer that can tell the carbon content of a sample within minutes. A second fully automatic instrument gives sulfur content in three to seven minutes.

Technicon Controls showed an "AutoAnalyzer" which automatically and continuously performs wet chemical analysis and feeds direct process information to control devices. It aids in measuring, mixing, purifying, processing and recording—its designers say the system can perform up to 60 tests an hour without any help from the human end of the business.

• • •

Industry observers noted that a variety of centrifuges were doing jobs not usually associated with this type of equipment. They interpret this as a sign that the centrifuge is now competing with tanks for conventional separations. Manufacturers claim that modern centrifuges offer continuous operation up to 500 gal./min., and operating pressures to 125 psi. They are compact, reliable, have low maintenance and are frequently cheaper than settling tanks.

• Visitors had two looks at what may be the chlorine-caustic makers' electrolytic-cell anode of the future. New anodes made of platinized-titanium were shown in booths of both Engelhard Industries, Inc. and Crucible Steel Co. of America. They offer potential power savings and longer life compared with graphite anodes. Progress has been slowed by patent problems and incomplete test data, but both situations appear destined to change during the next six months.

Some other items at the show:

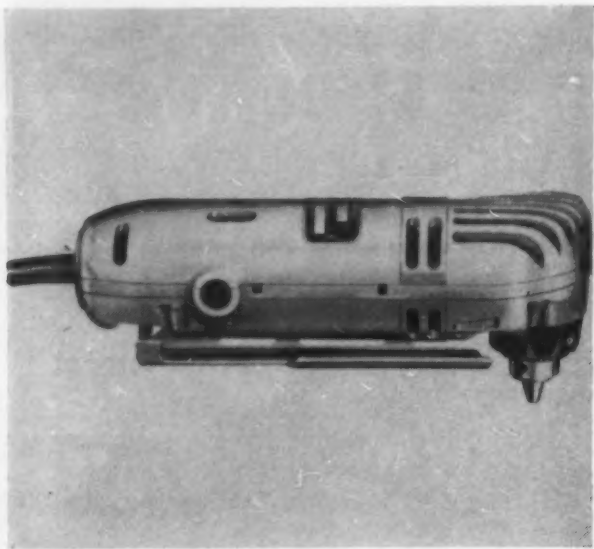
• **Mistifier**—Reactor that reduces particle size of solids, mixes materials together. Material is fed into the top of machine where it hits the rotor. The rotor throws it against the stator—it falls back to the rotor—etc. until it makes its way out of the bottom of the machine. Uses envisioned include mixing, drying, size reduction, and distillation.

• **Weighing scale**—Richardson Scale unveiled its Formula Capsule which automatically determines the proper proportions of ingredients for various operations. It can program the sequence of weighing of as many as 24 solid or liquid ingredients in a single formula.



## Your Guide to New Products

(Continued from page 17)



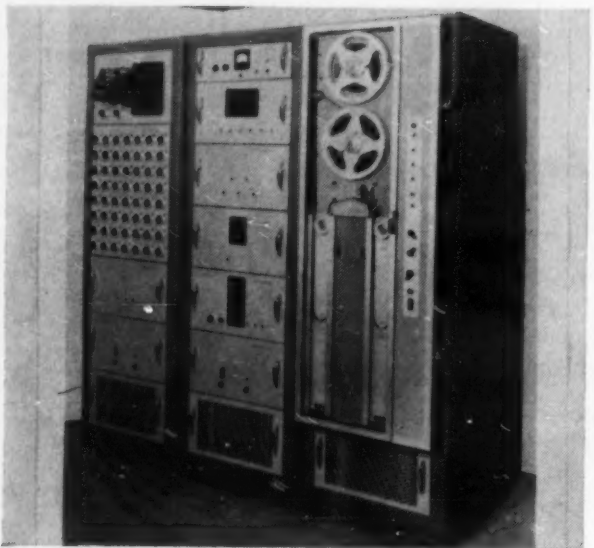
### 1/4-In. Drill

#### Chuck Head Is Off-Set

Off-set design of chuck head permits work in confined spaces, around corners and gives finger clearance on flush drilling jobs. Full-length paddle switch provides control in any position. Full load speed is 1,000 rpm, with 1/4-in. capacity in steel and 1/2-in. in hardwood.

Price: \$55. Delivery: immediate.

Black & Decker Mfg. Co., 600 E. Pennsylvania Ave., Towson 4, Md. (P.W., 12/21/59)



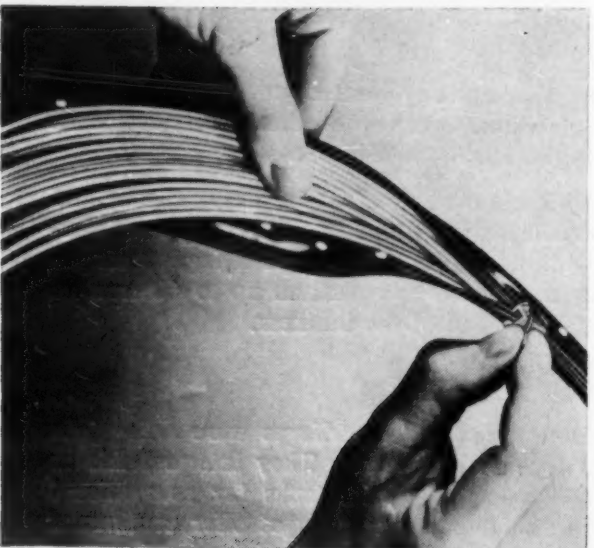
### Computer Editor

#### Converts Analog to Digital

System changes analog information expressed in defined voltage peaks, bands or zones into digits which computer can handle. Maximum of 10,000 samples per sec. are digitized with accuracy. Magnetic core buffer holds data until it is ready to be digitized.

Price: \$50,000 (approx.) Delivery: 5 mo.

Consolidated Electro-dynamics Corp., 360 Sierra Madre Villa, Pasadena, Calif. (P.W., 12/21/59)



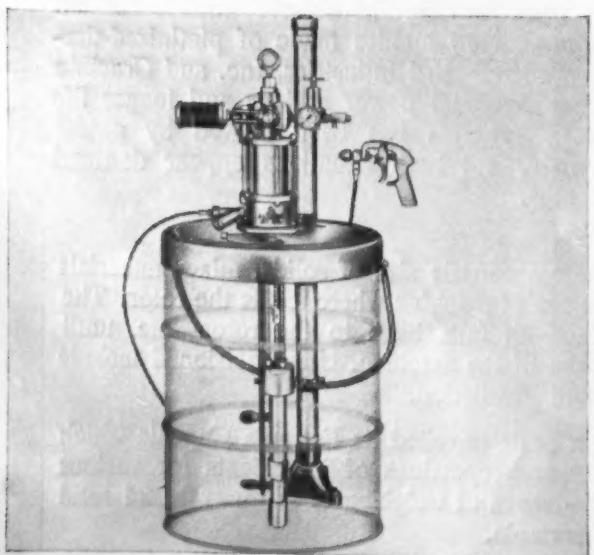
### Perforated Tubing

#### Provides Branch-Outs

Perforations are spaced so that wires can be snaked out of 20 or 40 gage zippered tubing wherever desired. Construction permits drainage of moisture condensation, prolonging wire life. Tubing comes in 3/8 to 4-in. dia. on 25 through 500-ft. spools.

Price: From 25¢ per ft. Delivery: immediate.

Zippertubing Co., 752 S. San Pedro St., Los Angeles 14, Calif. (P.W., 12/21/59)



### Portable Sprayer

#### Atomizes Paint

System atomizes paint by extreme pressure which delivers it to spray tip on gun. Agitator and power hoist for 54-gal. drum are mounted on dolly for use with two or more spray guns. Paint particles land in defined pattern.

Price: \$818.56 Delivery: immediate.

Stewart-Warner Corp., 1826 Diversey Parkway, Chicago 14, Ill. (P.W. 12/21/59)



## Tags for Industry—A Five-Point Plan For Making the Best Purchase of Them

The man with the puzzled look (above) has too much of a good thing. But, well used, the tag performs many useful functions in the modern plant. For example, the single tag used by a big wire maker keeps a running record of each of several manufacturing processes on a reel of wire, and also provides a piece-work pay record.

Merchandising tags carry a different—but equally important work load. Price information, manufacturer guarantee, manufacturer advertising, retailer advertising, content information required by law—these and other functions often fall to a single, well-designed tag.

How can purchasing men be positive they are getting the best tag for the job?

Here are five points suggested by the Tag Manufacturers Institute:

**1. Know What You Need**—Before calling in a maker, draw up a list of requirements for the tag in question. Include in this list the major aim of the tag, expected delivery date, planned distribution of the product (if it's a merchandise tag), and other pertinent information.

**2. Know Where It Will Be Used**—Use governs many factors of production. Tags that will be subjected to heavy treatment, exposed to weather, relied upon for lasting information or used to record vital data must be durable—re-inforced "patched" tags with wire, string, or other fasteners.

**3. Use Standard Sizes**—Selection of tag stock and size will have definite bearing on a tag's cost. Use standard

sizes of tags wherever possible. Although tags can be made in almost any size to fit your needs, purchasing men will get better value if they use standard size tags. One reason for this is that tagboard, boxboard, shipping cartons and many other materials are purchased in sizes suitable for standard tag sizes. Use manila stock wherever possible and practical. Colored tagboard is manila stock with a color coating—which adds to the cost.

**4. Order In Quantity**—Economy of bulk purchase means savings. When possible, combine orders for tags of the same size to take advantage of the quantity price. Tags of the same size can be combined for bulk pricing even though the printed copy, colors of tagboard, and ink colors vary. Buy in quantities which offer the best price advantage. Standard quantities offering price differentials are the same with most tag manufacturers: 1M, 2M, 3M, 5M, 10M, 100M, 250M, 500M, and 1MM. For instance, the cost of 200M tags would be about the same as the total cost for 250M—because an order for 200M would be priced at the 100M rate.

**5. Talk It Over With The Manufacturer**—The tag manufacturer can often improve upon a projected tag, to the benefit of the purchasing executive. In some instances, he recommends tags radically different from those envisioned by the customer. He may suggest you include more or better information or he may note a legal requirement you didn't know about.

*Purchasing executives who require a more extensive knowledge of tag specifications can get the Tag Manufacturers Institute Manual of Standard Specifications, for \$5.00 per copy. Subscribers to the Manual receive all additions and changes to the Manual as they are adopted.*

Write: Tag Manufacturers Institute  
145 East 32nd St.  
New York 16, N. Y.

### Purchasing Week Definition

#### Ablation

The concept of "high temperature" has changed radically in the last decade, and with it our understanding of how materials behave when heated. Experiments have given us a new concept of thermal protection—ablation.

**Ablation** is the gradual erosion of a body at a relatively stable rate while its underlying material remains essentially unaffected. Basically, it is the same process by which meteors enter the atmosphere.

Ablation may result from melting, vaporization, dissociation (chemical com-

position breaking up into simpler constituents), or burning—and it adjusts automatically to the rate at which heat comes into the body.

Instead of designing a product to completely withstand high temperatures, the design engineer will choose a material which erodes slowly but still protects the inner workings.

Ablation research has been confined to the rocket and missile fields to date, but industrial applications stand to profit as more experimental and theoretical work is carried out. (P.W., 12/21/59)



# Foreign Perspective

DECEMBER 21-27

**Bonn**—American purchasers are turning in increasing numbers to German sources.

A look at the latest German export statistics graphically illustrates this new trend. Shipments to the U. S. in the first nine months of 1959 went up by a resounding 45% above year-ago levels.

Automotive products are the biggest export item. But machinery and rolling mill products both show smart gains.

German purchases from U.S., however, reveal quite a different pattern. Imports from America over the same period declined by 10%.

The decrease is due primarily to reduced imports of U. S. coal and cotton.

• • •

**Vienna**—New 1960 Russian economic plan shows continued emphasis on heavy industry growth—though consumers may come in for some substantial gains, too.

Here's a rundown on how the various phases of the Soviet 1960 economic pattern shape up:

• **Output**—gross industrial production is planned to increase by 8.1% over 1959 levels.

• **Income**—gross national income is expected to increase by even more—by about 9% over 1959.

• **Electricity**—electric energy output is targeted for an 11.2% boost—with the Eastern (Asian) area scheduled to produce more electric energy than the whole Soviet Union did ten years ago.

• **Productivity**—the increase in electrical consumption per worker is expected to boost productivity about 5.8% above 1959.

• **Oil**—petroleum output is to reach 144 million metric tons in 1960—15 million more than the expected 1959 yield.

• **Housing**—the 1960 program calls for construction of 2.4 million apartments—giving new homes to about ten million people.

• **Foreign Aid**—the Soviets plan economic assistance to twenty-two countries—including the construction of 383 factories, many of them outside the Soviet orbit.

The step-up in foreign aid has been made possible by the sharp production gains over the past few years. During the last seven years, according to a Soviet spokesman, industrial growth has averaged 11.5%.

• • •

**Paris**—Metal production in Western Europe continues to rack up smart gains. And leading the pack is steel. Crude steel production of the six iron and coal community countries during the first eleven months of 1959 enjoyed a 7.8% increase over year-ago levels.

The January-December total should easily top the 62.5 million ton forecast made early this year.

Lead and zinc output gains are also impressive. Members of Organization for European Economic Cooperation (OEEC) produced 71,798 metric tons of refined zinc in October, a rise of 1,009 tons over September—and 5% above October 1958 levels. This same group reported a 2% year-to-year gain in pig lead.

This picture of increasing metal output could mean further inroads into U.S. market over the coming year.

• • •

**London**—No one knows for sure what will emerge as the two new European trading groups—The British-led Outer Seven and the Franco-German dominated Euromart—limber up.

Visit of Under-Secretary of State Douglas Dillon to Europe left Britishers with deeper awareness of how vitally Americans are interested in the way they end the economic split in Europe.

It's clear now the U. S. won't positively oppose the Outer Seven project. But it's also clear that having supported formation of the Euromart group (mostly for its political implications) Washington would tend to side with it rather than with the British-led seven in the event of any major clash.

Finally, Britishers realize any attempt to bridge the gap between the two blocks will have to avoid discrimination against non-members.

But whatever happens, there's general expectation that the U.S. will play a larger part than heretofore in working toward a satisfactory solution. Dillon's decision to attend next month's ministerial meeting of the Organization for the European Economic Cooperation (OEEC) is taken as one such sign.

## Japanese Wire Price Rises

**Tokyo**—Sumitomo Metals and Yawata Steel—the two leading manufacturers and exporters of wire steel—are planning to boost the price of January shipments of wire steel to the U. S. by at least \$5 per ton. A steady rise in world steel prices is the reason for the planned price hike.



James B. Mackey, P. A., The Sloan Valve Company, Chicago

## Purchase for Profit!

"We always specify Chicago Molded for plastic parts, says Purchasing Agent Jim Mackey of the Sloan Valve Company, and we're always sure of purchasing for profit. It's a combination of reliable custom molding service, finest quality, expert engineering assistance, the right price and on-time-delivery." Take the word of a man who knows, for help in plastic parts, call, specify:

**CHICAGO MOLDED**  
PRODUCTS CORPORATION  
1029 North Kolmar Avenue Chicago 51, Illinois

# Five Central American Economies May Merge to Form a Common Market

**San Salvador, El Salvador**—Plans to merge five Central American economies into one common-market economy are now being discussed with a sense of urgency.

For U. S. industrial purchasing agents, governmental buyers, and importers, the plan gives promise of providing a new source for raw materials as well as new export products that as yet no one has tried to exploit.

At a meeting here, representatives of the five countries involved—Guatemala, El Salvador, Nicaragua, Honduras, and Costa Rica—strongly backed the common market idea and agreed on putting up a 20% tariff wall against the outside world.

Whereas any tariff regulations immediately catch the eyes of world purchasing agents, in this case the "sleeper" for P.A.'s to watch is the "industrial integration" agreement hammered out by the Central Americans.

Dr. Alberto Fuentes Mohr, an economist from Guatemala, told PURCHASING WEEK that the new Central American Common Market was primarily concentrating on "import" restrictions and had nothing on the record that would in any way limit exports.

## Something More Than Bananas

On the contrary, he said, the consolidation of the five little economies might make for diversification away from the classic Central American exports of coffee, bananas, other fruits, and cotton and open the door to other products currently isolated by the lack of dollars.

Honduras and its vast timber lands is a good case in point, it was brought out at the meeting here.

Paul Vinelli, vice president of Banco Atlantida, Tegucigalpa, Honduras, told delegates that his country was going ahead with a plan to utilize the pine forests in the Northern Olanche region with a \$30-40 million paper and pulp plant combine. He said Crown-Zellerbach was making the study and National Bulk Carriers was interested in coming in with capital and know-how.

For those looking for new sources of wood, wood products such as resins, turpentine, cellulose, and new sources for paper, Honduras might make an interesting place to investigate. Up to now,

one of the big draw-backs to Honduras' place in the sun has been the lack of almost everything—roads, fuels, electricity.

Roads and communications—or lack of them—have been another monkey wrench in the Central American works. Now, however, El Salvador is finishing a coastal paved highway to join with a Guatemalan and Mexican paved coastal highway system. Central Americans claim by the end of next year, one will be able to drive on paved roads from the U. S. down to Panama.

This is expected to do much to open up new export bottlenecks for the little economy countries. Other products which may be pouring out of the area in the not too distant future include fruit and vegetable oils, acids and compounds, glass products, minerals, leather and hides, meats, and hand-made objects.

While there are many prospects in store, the main thing P.A.'s should keep their eyes on is the speed at which this move to "industrial integration" is moving through Central America.

## Imperial Chemical Cuts Prices After Boosting Plant Capacity

**London**—Imperial Chemical Industries, Ltd., has passed along price reductions to its customers following expansion of its Merseyside plant, which raised silicon production capacity to 4,000 lb. annually.

I.C.I. said its price cuts varied according to grades and quantities involved by between 5-10%. The company said it plans to double present capacity during 1960 and that further price drops may result.

Output is now said to be sufficient to meet all U. K. demands for silicon, and considerable quantities are being shipped abroad.

## Austrians Dock U.S. 20%

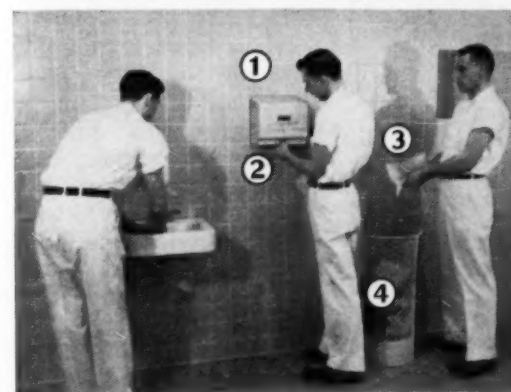
**Vienna, Austria**—A decree by the Austrian Federal Ministry of Finance has set the import dues for the American product "Liqui Moly" at 20% of the declared value.

The decree states that the U. S. product must be regarded as a lubricant that contains almost 70% crude-derived (mineral) oil.



What does your towel service cost?

You can raise the standard of service...yet reduce the cost by using Mosinee Turn-Towels!



- ① 417 towels per roll mean less cabinet filling
- ② Push button control means 40% to 50% less towels used
- ③ Pure sulphate towel means fast drying — extra strength
- ④ Fewer towels used mean less washroom maintenance

Write for name of nearest distributor





# Your Guide to New Products

(Continued from page 18)



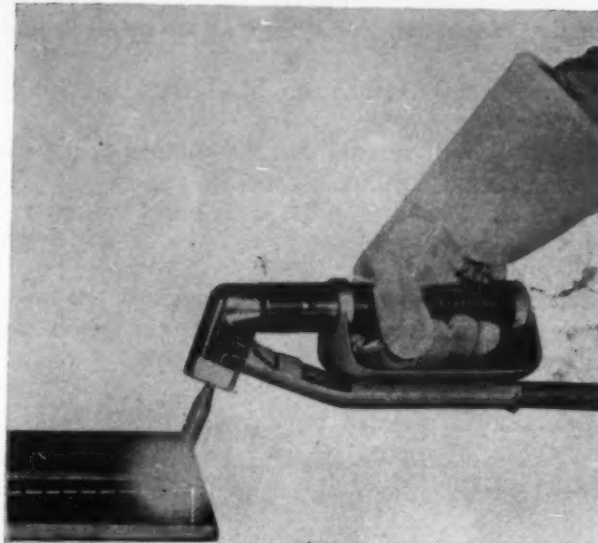
## Packaging Machine

### Makes Captive Closure

Moving arm takes cap from hopper, centers it under chuck for closing operation. Polyethylene cap cannot be removed from container, but top can be opened. Eight-spindle capper inserts plastic cap on 300 pint cans of wax or polish per min.

Price: \$16,000. Delivery: 6 mo.

Consolidated Packaging Machinery Corp., 1400 West Ave., Buffalo 13, N. Y. (P.W., 12/21/59)



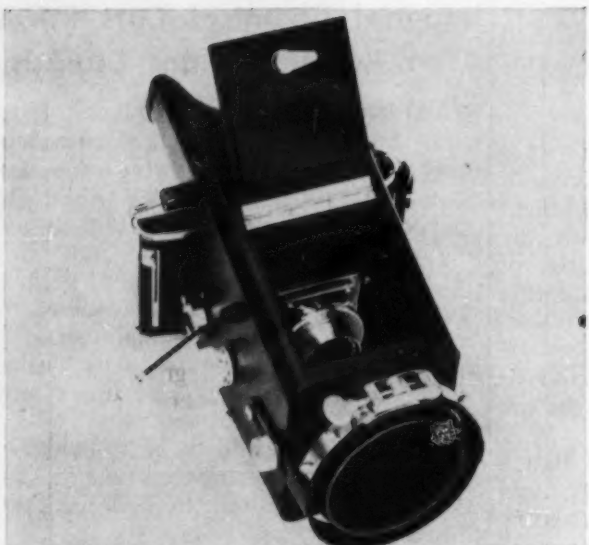
## Electrode Holder

### Lessens Heat Exposure

Operator's hand is kept cool by: (1) absence of welding cable in holder handle, (2) using lightweight aluminum hand guard to reflect heat from arc. Holder is 11-in. long, weighs 28 oz. and handles 1/8 to 3/8-in. electrodes.

Price: \$14.70. Delivery: immediate.

Bernard Welding Equipment Co., 10228 South Ave. N., Chicago 17, Ill. (P.W., 12/21/59)



## Oscilloscope Camera

### Records Full-Sized Patterns

Full-sized oscilloscope patterns are recorded without distortion on Polaroid film with 9-lb. camera. While making exposure, operator observes pattern with both eyes through scope. Lens adjustments are made without removing camera from scope.

Price: \$450. Delivery: 6 wk.

Hewlett-Packard Co., 275 Page Mill Rd., Palo Alto, Calif. (P.W., 12/21/59)



## Type Cleaner

### Packaged In Aerosol Can

Non-toxic, non-flammable and non-corrosive type cleaner will not evaporate in aerosol can. Its chemical base removes dirt and debris from keys and platens of typewriters and office machines. Leaves no odor or oily residue.

Price: \$1.29 (6-oz.). Delivery: immediate.

Bankers & Merchants, Inc., 3229 N. Sheffield Ave., Chicago 13, Ill. (P.W., 12/21/59)



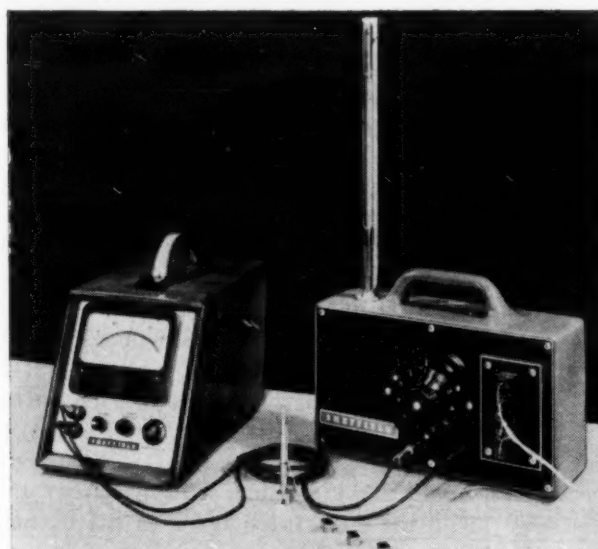
## Paste Ink

### Used on Smooth Papers

Quick-drying paste ink in throw-away 1-lb. tube is used in closed single-cylinder duplicators to make clean, non-smudging characters on bonds, other smooth papers, and postcards. Throw-away tubes eliminate operator contact with ink.

Price: \$2.90 per lb. Delivery: immediate.

Milo Harding Co., 71-27C Tempo Bldg. Monterey Park, Calif. (P.W., 12/21/59)



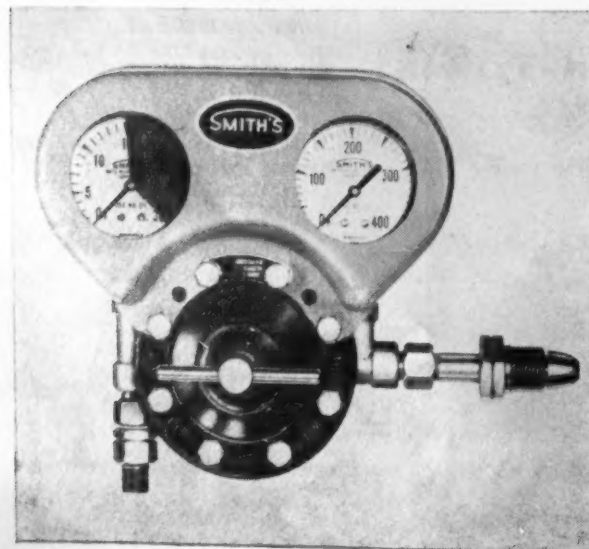
## Temperature Gage

### Shows Minute Deviations

Portable electrical instrument compares temperature of precision parts and surrounding air with reference temperature and indicates minute deviations on meter. Deviation at each of 5 detection points is read on meter as plus or minus from 1/10 to 1/40 of deg.

Price: \$2,000 (approx.). Delivery: 6-10 wk.

Sheffield Corp., Springfield & Thomas St., Dayton 1, Ohio. (P.W., 12/21/59)



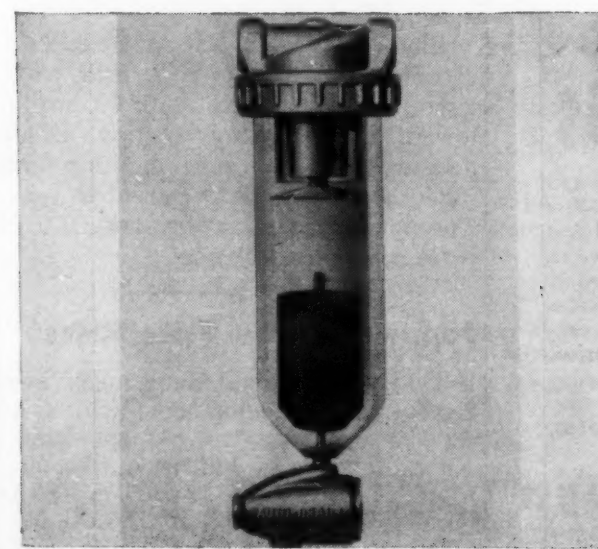
## Welding Regulator

### Reduces Explosion Danger

Device on down stream side prevents reverse flow and mixture of gases. Gages are enclosed, protecting them from exterior abuse. Inlet connector allows easy replacement of damaged connections. It is used with oxygen, acetylene or LP gases.

Price: \$45.75 (acetylene) \$48.25 (oxygen). Delivery: immediate.

Smith Welding Equipment Corp., 2633 4th St. S.E., Minneapolis 14, Minn. (P.W., 12/21/59)



## Air Line Filter

### Drains Automatically

Filter uses float to activate scavenger valve when liquid accumulates. Trapped liquid and impurities are blown out drain opening. Filter comes in 1/4 to 1-in. sizes with transparent plastic (150 psi use) or metal (250 psi use) bowls.

Price: \$26 to \$36. Delivery: immediate.

Watts Regulator Co., 10 Embankment Rd., Lawrence, Mass. (P.W., 12/21/59)



# Purchasing Perspective

DEC. 21-27

(Continued from page 1)

- **Stainless**—almost adequate in a full range.
- **Tool steel**—in good shape.
- **Tubular products**, alloy and cold-finished bars—improving fast.
- **Carbon**—has shown but little improvement although cold-rolled sheets are not quite so tight in the East as in the Chicago area.
- **Hot-rolled bars**—will be among the first carbon products to ease back, followed by standard structurals.

- **Plate and wide-flanged beams**—will come later.

**Glowing 1960 predictions in year-end reports issued by major industries may be undermining strategy of steel management in its negotiations with the Steelworkers.** Many forecasts are tied to the assumption that steel production will continue uninterrupted by another strike. This, of course, adds to pressure on industry negotiators whose strategic position was further weakened last week by more contract signings in major industries that normally play follow-the-leader on the steel contract.

A National Industrial Conference Board survey further illustrates this point. Most of more than 200 manufacturing executives polled forecast that business in the first six months of 1960 will top 1959 period levels in new orders, dollar billings, and profits.

**But most based their predictions on the assumption steel would be in full supply by the end of 1959; the majority further assumed that the steel situation will not affect their operations to any significant extent during the first half of next year.**

**BUYERS' GUIDES:** Industrial buyers who are experts in purchasing manufacturing equipment may be somewhat less efficient in the procurement of printed business forms. A business forms expert, Alven S. Ghertner, president of Cullom & Ghertner, Nashville, says companies often spend as much time buying only \$25,000 worth of printed forms as they spend contracting for \$500,000 worth of production items.

**Ghertner urges more forms standardization, limitation of forms procurement authority within a firm, establishment of a scientific forms ordering schedule, and more closely coordinated forms planning and distribution to branches and departments.**

**Dodge Division of Chrysler is about to unveil its own compact car predicts Fleet Owner, a McGraw-Hill publication.** It will be a "bigger" compact, with a 114-inch wheelbase, but shorter than the Corvair, Falcon, and Valiant in over-all length.

## Fractional-Horsepower Motor Prices Will Soar 4% by Jan. 11, Makers Say

(Continued from page 1)  
dries, and refrigerator compressors.

"This increase is based on previous increases in labor and material costs," a G.E. spokesman said. "We are not trying to guess the result of the steel strike. If the price of steel goes high enough, we will not be able to absorb it." The spokesman noted that this is the first price hike on these motors in over three years, despite continuing cost increases during that time.

Westinghouse had tried to push through a similar price hike last August, but couldn't make it stick. G.E. refused to go along at the time.

"We want a price increase," a Westinghouse spokesman declared. "We wanted one in August, and we want one now. This is a very low-profit business, so I don't think there's any question but what we and the rest of the industry will go along with the increase as long as we can remain competitive."

An executive of the Delco Products Division of General Motors, Dayton, Ohio, agreed. "The whole industry can stand an

increase," he told PURCHASING WEEK. "I don't doubt that we'll go along with it."

Century Electric Co., St. Louis, plans to study the move before making a final decision. A spokesman for the company said, "We all need an increase on fractionals because our profit picture is so dim, plus the fact that steel and other raw materials will probably go up."

Several small motor producers appeared concerned over a price increase at this time. They felt G.E. should have waited to see what steel does instead of putting themselves into a position where they may be forced to raise prices again next month to cover added costs.

This opinion is held even more strongly by motor buyers. Fairbanks-Morse, Chicago, which purchases G.E. motors for its pump products, told PURCHASING WEEK:

"This price increase makes it more difficult for us. We may have to eat it. It is probably justified in view of price increases in steel prices, but we still don't like it coming at this time."

## What's in a Gift—Taxable Income?

**Washington**—Government taxmen hope a series of cases now before the U.S. Supreme Court will settle a perplexing question frequently faced by both taxpayers and the Internal Revenue Service.

The question is what is the difference between a tax-free gift and taxable income.

The Supreme Court last week accepted for decision later this term two cases that raise the issue in a business context. They will be decided along with another case, in which the government is attempting to treat strike benefits paid to strikers by unions as taxable income. A lower court ruled that strike benefits come under the heading of gifts and do not have to be reported as income by strikers.

### Cadillac Not Taxable

In the two new cases accepted by the Supreme Court, lower courts split. In one case, the government lost its attempt to treat as taxable income a Cadillac received by a Dayton, O., businessman from a business friend as a gift for supplying the names of potential customers. The Sixth U.S. Court of Appeals ruled that since the car was intended as a gift—even though it was written off as a business expense by the company—it should be treated as a gift and not considered as income to the recipient.

### ... But \$20,000 Gift Is

In the second case, the government won its argument that a \$20,000 payment from the Trinity Manhattan Church to a retiring official was taxable income. The Second U.S. Court of Appeals said the payment had to be treated as taxable income, even though the church group intended it as a tax-free gift in appreciation of services. The taxpayer is appealing this ruling of the court.

The government is hoping Supreme Court review of these cases will set out more definite guidelines for the lower courts to apply in other similar cases. In-

ternal Revenue wants the court to say that it is the motives behind a transaction—not what the people say it is—which should determine whether a payment is a gift.

A "gift", say government lawyers, springs from purely personal emotions of generosity, while any payment deducted as a business

expense by the giver does not bear the same mark of generosity. The IRS men really want a ruling that will end lower court decisions—as in the case of the automobile—that allow a giver to deduct a payment as a business expense and also allow the recipient of the payment to treat it as a "gift".

## Life on the Seaway: Rate-Cutting, Rebates, 'Shady' Deals, Critic Says

(Continued from page 1)  
that it is "an open secret" that government agencies, especially the Federal Maritime Board, "have been conducting far-reaching investigations."

It is still too early to anticipate the outcome of the inquiries, but "It is evident that a thorough house-cleaning is necessary and will be attempted," Kuecker said. "While exporters and importers may benefit by low rates and some are weakened by the lure of payola, transportation charges must be compensatory to the vessel operator for him to stay in business."

Intense competition between water carriers, prohibitive terminal costs at some lake ports, the depressed state of shipping generally, high terminal costs at some lake ports, labor rates and Seaway tolls were mentioned as contributing causes.

Bruce Dwinell, vice president, Rock Island Lines, said such malpractices are one reason railroads have held off establishing special import-export rates for Great Lakes ports. The rails are not always sure what the exact water rates are, he said.

Dwinell also said many rail, barge and truck operators doubt whether there should be such rates in effect at any American ports.

William Noorlag Jr., general manager of the Central Motor Freight Assn., said, with respect to the lack of export-import rates at lake ports, that truckers couldn't find any way of reducing

rates any further to encourage more cargo.

Arthur E. Baylis, sales vice president of the New York Central Railroad, said Eastern railroads "realize the St. Lawrence Seaway is now a reality and are not trying to fill it with dirt and rocks, but neither do they intend to fill it with tonnage."

Baylis noted that railroads have already reduced about six major commodity rates and reductions on another 10 to 15 are planned during the winter months.

## Grand Jury Weighs Probe Of Rock-Salt Price Tags

**Washington**—Justice Department antitrusters, undismayed by failure in prosecuting alleged illegal identical bidding practices by Salk vaccine makers, have launched a new grand jury investigation of identical bidding in rock salt.

More than a dozen complaints from state agencies in the North and Midwest sparked the inquiry. Municipalities and state highway commissions reported receiving identical bids for salt used to melt snow on highways. In some cases, state authorities reported identical bids had been received for several years.

The grand jury will sit in Rock Island, Ill. Subpoenas have not yet been prepared but will eventually be sent to officials of salt firms, distributors and the purchasers.

## Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
<b>INCREASES</b>			
Gum rosins, N. Y., clts., Katy, Mary, cwt.....	.45	\$12.30	tight supply
Nancy, cwt. ....	.25	\$12.60	tight supply
Window glass, cwt. ....	.60	\$13.10	tight supply
Water white, cwt. ....	.35	\$13.35	tight supply
m-Toluidine, tech., Jan. 1, tanks, lb.....	.04	.82	
m-Nitrotoluene, tech., Jan. 1, drums, lb.....	.05	.50	
Theobromine, NF, lb. ....	.45	\$4.20	short supply
Flannel, shirt, yard.....	.005	.3075	high demand
Latex foam rubber products, Dayton Rubber Co.....	10%	....	incr. costs
N-Butyl Alcohol, Jan. 1, carlots, lb.....	.005	.18	
Copra, coast, ton .....	\$7.50	\$230.00	
Kerosene, Gulf Coast, gal.....	.0025	-.0925	short supply
Plywood, fir, Sanded, 2 cos., 1/4" grade, 100 sq. ft.....	\$4.00	\$72.00	good demand
Sheathing, unsand., 3/8", 1000 sq. ft.....	\$4.00	\$98.00	good demand
Corduroy Fabrics, cone, yard.....	.015-.02	....	incr. costs
Aluminum, pig, Alcoa, lb.....	.013	.26	incr. costs
Aluminum, Alcoa, Reynolds, outside U. S., lb.....	.0075	.2325	incr. costs
<b>REDUCTIONS</b>			
Gasoline, Vermont, dlr. tokwgn., gal.....	.005-.017	....	low demand
Lead, N. Y. lb.....	.005	.125	low demand
Lead oxides, red lead, 95% dry, lb.....	.005	.1475	metal eases
litharge, lb. ....	.005	.1425	metal eases
orange mineral, less carlots, lb.....	.005	.17	metal eases
Tin Salts, Potassium Stannate, lb.....	.005	.771	metal ease
Sodium Stannate, lb.....	.005	.628	metal ease
Tin Crystals, anhyd., lb.....	.006	.989	metal ease
Gasoline, Upstate N. Y., dlr. tokwgn., gal.....	.025-.035	....	price war
Propylene Glycol, USP, tankers, lb.....	.01	.145	competition



# Now Buyers Worry About Railroads

(Continued from page 1)  
government or public opinion would permit a total rail strike," Frank Tighe, senior traffic manager for Union Carbide Corp., New York, told PURCHASING WEEK, "we're preparing for the worst, nevertheless."

"We're increasing our stocks of strategic materials so that our factories will have the raw materials with which to work."

Phillip Bauer, traffic manager for Philip Carey Manufacturing Co., Cincinnati, also is making advance preparations, although "we don't think a strike will be permitted to last long if it does come."

Looking ahead to next May 1, here's how the rail transport picture shapes up:

## Building Up to a Strike:

Railroad and union officials admit privately they don't expect actual negotiations to produce results. Rather, they anticipate that all the various bargaining moves in the industry will go before presidential emergency boards set up under the Railway Labor Act.

In the operating brotherhood bargaining, there are two separate cases. Work rules are now being discussed on individual roads while negotiations over wages are in government mediation. Some time after January, mediation officials are expected to announce that mediation is fruitless.

The engineers and other brotherhoods then can threaten to strike after 30 days if they choose. The mediation board formally offers binding arbitration (virtually sure to be rejected), and then the President names an emergency board which has 60 days to report. This would bring the showdown up to May.

What happens then is anybody's guess. There is no law that provides a way for the White

House to block a rail strike—except in wartime.

## A Strike:

How big will it be? How long will it last? What tolls would it take? The last question is the only one that sparks a ready answer.

Most P.A.'s believe it would close down every major industry in the country in a matter of weeks.

Truckers and water carriers are trying to devise ways to pick up the extra business while still "protecting our regular customers."

Truckers from Boston to Dallas and New York to Los Angeles guess they could expand their present operations anywhere from 5 to 20%. But most are reluctant to enlarge their facilities and add more equipment for "temporary" business. But many truckers are overhauling excess equipment.

Inland water carriers in the St. Louis area admit they wouldn't be much help in the event of a rail shutdown.

"We are pretty much at the maximum of our barge carrying capacity now," R. L. McGill, vice president of Mississippi Barge Lines told PURCHASING WEEK.

Air freight carriers, on the other hand, are closely eyeing the upcoming traffic snarl. They believe a strike would help speed the trend to air transportation in a number of product areas.

Major steel companies are now starting to worry as much about a possible railroad tie-up as they are about their own labor troubles. A total strike would close down almost every large steel plant in the country.

## A Settlement:

"We could be hit with a double bill when we eventually settle this labor dispute, and we'd be forced to make up the added cost burden somehow—possibly

with selective freight rate increases." This is the way E. V. Hill, chairman of the Eastern Railroads' Traffic Executives Association describes the gloomy cost problems ahead for the nation's railroads.

"If the steel industry grants a wage increase," he said, "a price increase would probably follow. Since rail steel is very costly, any price increase is usually triple for the railroads."

"Couple this with a wage hike for railroad workers and it adds up to quite a sum—and it would have to be made up somewhere."

Hill explained that higher rates would be only a "last resort."

"We'd first look harder for ways to increase volume through incentive rates and other means, thereby bringing in more dollars. But we would certainly need substantially more revenue to cover the costs that would lie ahead."

An executive of the Burlington Railroad, Chicago, agreed that "the era of the general rate increase is over—the trend is in the other direction," he pointed out that "another general increase would mean too much loss of traffic."

Railroad men around the country agree that if any rate increases were to be made, they would be selective.

A spokesman for the Reading Railroad, Philadelphia, told PURCHASING WEEK that the railroads would have to put stronger emphasis on three points—harder selling, pricing to fit customer needs, and streamlined service.

Several large firms in Los Angeles said they have been leaning more heavily to trucking of late and do not expect a railroad shutdown to seriously hamper their operations. "We think the truckers would stick by us," explained the P.A. of one firm, "And not run after more lucrative business that would be temporary."

## Late News in Brief

### A 'Blend' for Aluminum

Chicago—Aluminum industry and United Steelworkers negotiators moved toward a general wage agreement late last week, described as "blend of all the recent metal settlements."

But local issues and minor disagreements on a company-to-company basis still remained to be ironed out, an industry source said.

### More 'Drastic' Reductions

New York—Nineteen Eastern railroads are seriously considering another round of 'drastic' rate reductions on grain moving from Midwest country points to Eastern destinations.

The still-unpublished cuts are expected to match those published last June for grain moving to North Atlantic ports for export. They will not apply to grain moving to Chicago for transshipment by water. Result: possible "devastating effects" on Chicago and St. Lawrence Seaway traffic.

### Lower Air Rates

New York—Hopes rose last week for an earlier-than scheduled introduction of low air cargo rates across the North Atlantic.

At a meeting of the International Air Transport Association, Pan American World Airways led a drive to establish the new low fares in January instead of April, as previously planned.

### Optimism On 1960

Seattle, Wash.—Climbing lumber prices at Northwest mills last week suggested renewed optimism on 1960 housing starts.

Green fir two-by-fours, a key home building material, gained about \$3 per thousand board ft. to \$68, up from \$60 a year ago. One mill raised sanded plywood prices \$4 to \$72 a thousand sq. ft.

### Seatrains Fight Back

Washington—Seatrains Lines hit back at rail rate-cutting last week by petitioning the ICC to let it ship pulp board at 5¢ per hundredweight less than the railroads.

The coastal steamship firm said without the rate adjustments, it would be forced to eliminate its Savannah operations in face of the lower rail rates granted by the ICC Oct. 23.

## Democrats Want Small Businesses Dealt in on Pentagon Contracts

Washington — Congressional Democrats are renewing their pressure on the Pentagon to award a greater share of defense contracts to small business. They are urging the Pentagon once again to throw open more contracting to advertised competitive bidding as a means of giving the smaller firms a larger share of military orders.

Latest figures show that roughly 85% of defense orders are placed through negotiated procurement rather than through formal advertised bidding. The law prescribes formal advertised bidding as the rule on military procurement and theoretically allows negotiated buying only as an exception.

On the one hand, Sen. Leverett Saltonstall (R., Mass.), among others, has been stumping for an Administration-supported measure to amend the law. He wants to make it easier for the military to buy through negotiated procurement. Saltonstall believes this would reflect the military buying trend toward more costly, complex hardware which the services find easier to buy under what they consider "competitive negotiations," rather than through the conventional advertised bidding scheme.

On the other hand, the latest push for more open advertised competition on defense orders comes from Sen. George A. Smathers (D., Fla.), chairman of

the Senate Small Business Subcommittee on government procurement.

Smathers sent a letter Dec. 4 to the new Secretary of Defense, Thomas S. Gates, Jr. The senator wrote to congratulate Gates on his appointment as the Pentagon's top man, then urged that one of Gate's "first actions . . . be to require greater emphasis" on small business contracting.

Smathers complained that small firms received only 16.6% of defense contract dollars in the fiscal year 1959—"the lowest proportion ever recorded." He pointed out, too, that "a mere handful of 20 large firms annually receives more than 50% of the total defense budget for supplies and services."

The senator argued that the basic reason for small business's declining share of defense orders is the Pentagon's "declining use of competitive procurement methods."

Said Smathers: "Lack of adequate competition not only shuts the doors on small firms, it also virtually assures that the government is being overcharged."

Smathers said his committee has evidence that on "a relatively few military items, formerly purchased from a sole source, the armed services saved almost \$3 million by obtaining effective competition, and by purchasing the items, in most cases, from small business firms."

## Aluminum Rises, Copper Settles, Lead Sinks

(Continued from page 1)  
little chance of firming any time soon.

### Aluminum Outlook

The aluminum price boost confirms last week's PURCHASING WEEK report that said a price increase was imminent.

The new price of 26¢/lb. only restores the basic aluminum price to 1957 levels. In the words of Frank L. Magee, Alcoa president, "it does not reflect increased employment costs of more than 25¢ per employee hour that the company has incurred since August 1957, nor increased material or other costs in the same period."

He goes on to note that, "Neither does it reflect additional employment costs that the company will face as a result of any labor contracts now being negotiated with unions."

In a way, this statement leaves the door open for possible further price adjustments after the costs of the new aluminum contracts are finally appraised.

The increase by domestic producers follows closely on the heels of a somewhat smaller boost (¾¢ per lb.) in world markets—as posted by Aluminium Ltd.

The move by the big Cana-

dian company was the tipoff. Historically, when Aluminium leads the domestic industry follows. For example, the 2¢ decline in 1958 originated with Aluminium.

Causes behind the U. S. and world boosts are twofold: cost and demand. As explained above by the Alcoa president, the light metal tags—unlike those of other commodities—have not reflected the inflationary price spiral of recent years. And as a result, the companies face a cost squeeze.

### Copper Outlook

The copper price picture is not quite clear as that for aluminum. Settlement between Kennecott and the Mine-Mill union is expected to break the strike deadlock. But it's still not clear how soon adequate copper supplies will be available.

A major producer thinks "the 33¢ price will hold for at least a month after production gets back to normal."

Another producer is even more positive about the 33¢ price. "It will take a month just to get things started again. And it will take 60-90 days before the shortage begins to ease off a little. So I see no reason for the 33¢ price to disappear for much of next year."

That doesn't mean, of course, that there won't be fluctuations in dealer price. These will continue to weaken as buyers go back to normal supply sources.

Foreign prices also will tend to weaken. One big electrical equipment buyer thinks "foreign prices will probably slip to around 30¢ once domestic production gets back on an even keel."

### Lead Outlook

The picture for lead reveals that price weakness has already arrived for the heavy metal.

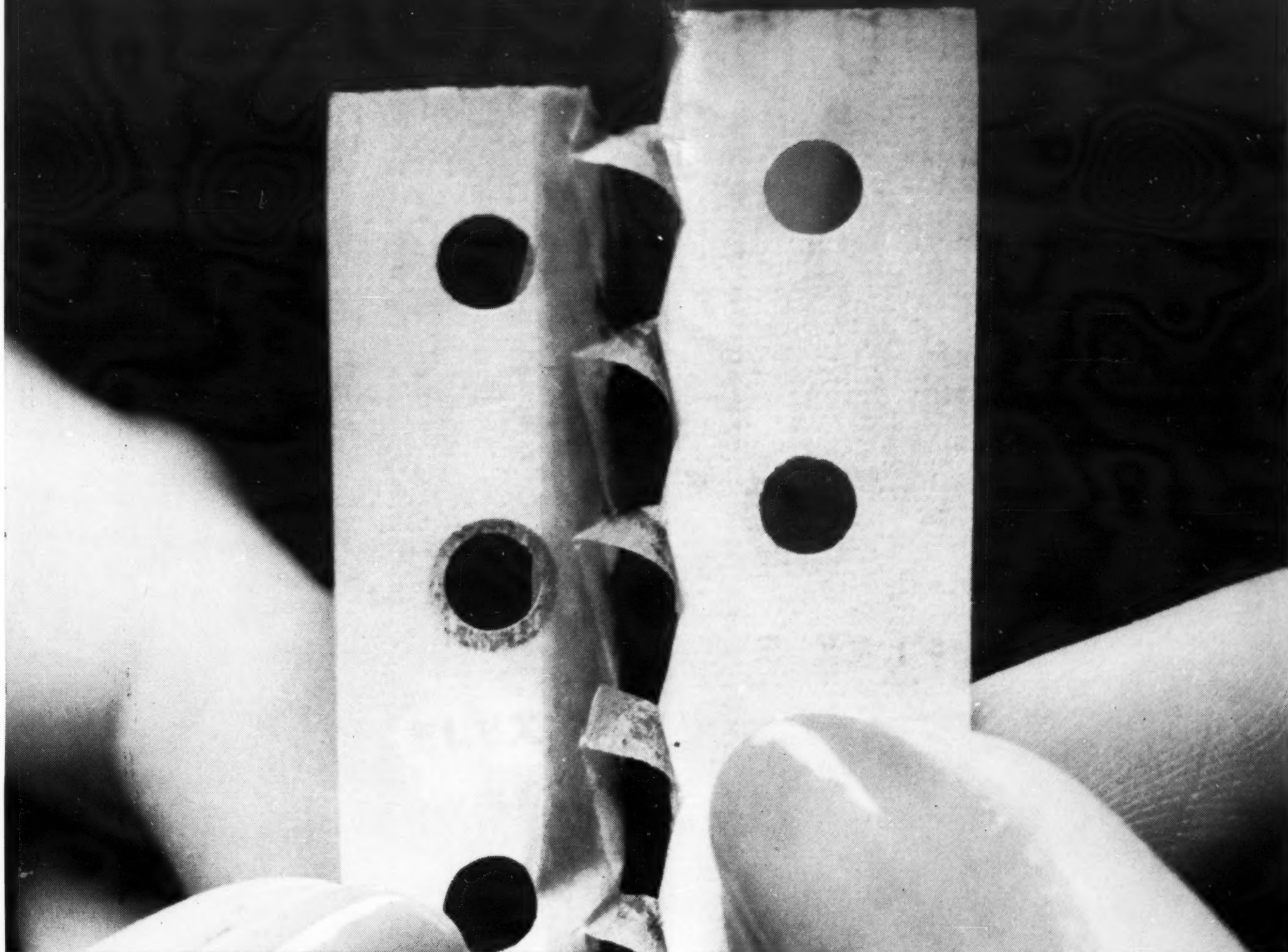
Last week, for example, the price dipped on signs of improving supply and continued poor demand. A spokesman for one of the larger firms feels there'll be continued easiness with chance of even further drops.

Commenting on the current market outlook, he notes, "There's an awful lot of lead around. With the largest smelter coming back into the market, I can't see anything but weakness ahead."

The smelter referred to is the American Smelting and Refining Company. Some 6,000 workers in thirteen plants have returned to work. That alone accounts for 40% of lead production in the United States.



# Heard about the revolution?



Speediflex is a patented product of Moore Business Forms, Inc.

## Moore Speediflex

*A new idea in business forms with the new dimension of flexibility for results never before possible in forms-writing operations.*

When business forms are fed at high speeds over writing machines, troubles often develop. High-speed feeding causes unequal stresses and forms often tear or wrinkle. Part-to-part register is affected unless forms are fastened with staples or other devices.

A revolutionary form—made especially for today's high-speed writing equipment—was needed to eliminate these problems. The illustration shows the new dimension built into Moore Speediflex—for perfect high-speed writing results. Parts in a Moore Speediflex are bonded together by flex-cut carbons that permit the form to travel freely, naturally, around the

writing platen in perfect register. This means printing in perfect register, no matter how many parts and carbons to the set, no matter how fast the writing speed.

It also means many other operation advantages and Moore men throughout North America are explaining them to systems men now. He'll be glad to see you. Just call him—or write us.

MOORE BUSINESS FORMS, INC.—Niagara Falls, N. Y., Denton, Texas, Emeryville, Calif. Over 300 factories and offices throughout the U. S., Canada, Mexico, Cuba, Caribbean and Central America.



Build control with  
**MOORE BUSINESS FORMS**





## You can tell the **SKF** man by his complete line of bearings!

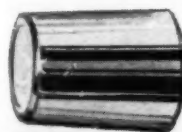
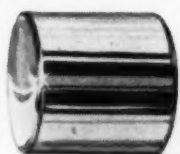
Fast deliveries of more than 3,000 basic sizes of ball and roller and bearings—the most complete line available—are a specialty with the man from **SKF**.

Not only that. He's an experienced engi-

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